

**NPS ARCHIVE**  
**1965**  
**MYERS, L.**

Louis B. Myers

IMPACTS OF THE DEPARTMENT OF DEFENSE  
PROGRAM SYSTEM ON PLANNING AND  
PROGRAMMING IN THE U. S. MARINE  
CORPS, 1961-1965.

Thesis  
M994

**ACCOPRESS®**

GENUINE PRESSBOARD BINDER

CAT. NO. **BP 250**

**ACCO**  
CHICAGO,  
LONDON.

OGDENSBURG, N.Y.  
TORONTO,  
MEXICO, D. F.

DUDLEY KNOX LIBRARY  
NAVAL POSTGRADUATE SCHOOL  
MONTEREY CA 93943-5101



IMPACTS OF THE DEPARTMENT OF DEFENSE PROGRAM  
SYSTEM ON PLANNING AND PROGRAMMING IN  
THE U. S. MARINE CORPS, 1961-1965

by

Louis "B" Myers

Bachelor of Science, 1954

State University of Iowa

A Thesis submitted to the Faculty of the School of Government,  
Business, and International Affairs of The George Washington  
University in partial fulfillment of the requirements  
for the Degree of Master of Business Administration.

May 1, 1965

Thesis directed by

Karl E. Stromsem, Ph. D.

Professor of Public Administration

WPS ARCHIVE

~~Thesis~~ M994 c.2

1965

MYERS, L.



## PREFACE

This study of the Department of Defense program system and its impact upon the Marine Corps was undertaken primarily as a self-education effort to expand my knowledge of the Marine Corps in relation to the larger environment in which it exists and functions. Attempts to limit all considerations of this study to the Marine Corps (even to the Department of Defense), in isolation from politics and national events, proved unworkable at an early stage of the research. Thus I learned that the defense establishment's character is a blend of the nation's fortunes, its fortitude, and its fears; an everchanging blend, a product of its time.

Implementation of the Department of Defense program system reflects many influences of Twentieth Century America through its exploitation of new knowledge and utilization of new technology. At an earlier time, in a less complex environment with lesser tools, this system would have been a failure or at best superfluous. Today, it represents a bold and apparently successful effort to make planning for the unknown and the unwanted less susceptible to gross error and, therefore, more apt to be responsive to national policy objectives.

The information for this study was collected through library research, personal interviews, and contacts with military





officers and government officials, both in and out of the Department of Defense. Several interview comments and speakers' remarks are indicated as "quoted" material in the text of this paper. A diligent effort was made to accurately reproduce these oral statements in the form and context in which they were made, so as to retain, insofar as possible, the individual's content, meaning, and feeling. In this regard, no single statement nor any individual's remarks should be construed as reflecting any "official position" other than his own.

Chapter I considers the early years of the Department of Defense and efforts to control and direct it. Chapter II introduces the Department of Defense program system. Chapter III explores observations of its general effects as witnessed by officials of the Department of the Navy from 1961 to 1965.

Individual service planning and programming of the Marine Corps (before the introduction of the Department of Defense program system) is covered in Chapter IV. Chapter V covers effects of the program system on Marine Corps activities of planning, programming, and budgeting. Chapter VI has a summary of the overall impacts of the Department of Defense program system and the conclusions drawn from this study.



## TABLE OF CONTENTS

	Page
PREFACE . . . . .	ii
LIST OF ILLUSTRATIONS . . . . .	v
Chapter	
I.    THE BACKGROUND FOR SERVICE PLANNING . . . . .	1
II.   THE DEPARTMENT OF DEFENSE PROGRAM SYSTEM. . . . .	11
III.  SOME OBSERVATIONS AND IMPLICATIONS OF THE PROGRAM SYSTEM. . . . .	25
IV.   MARINE CORPS PLANNING AND PROGRAMMING, 1960 . . . .	41
V.    MARINE CORPS EXPERIENCE WITH THE DEPARTMENT OF DEFENSE PROGRAM SYSTEM, 1961-1965. . . . .	61
VI.   SUMMARY AND CONCLUSIONS . . . . .	85
APPENDIX. . . . .	90
BIBLIOGRAPHY. . . . .	96



## LIST OF ILLUSTRATIONS

Figure	Page
1. Relationships Between Marine Corps and Navy Service Plans and Plans of the Joint Chiefs of Staff . . . . .	46
2. Programs, Sub-programs, Coordinators, and Administrators of Marine Corps Programs, 1960. . . . .	52
3. Relationships Between Objectives, Plans, Programs, and Budgets, 1960 . . . . .	56
4. Organization, Headquarters, U. S. Marine Corps (December, 1964). . . . .	63
5. Relationships of Marine Corps Service Planning to DOD, Joint, Navy and Internal Plans and Programs. . . . .	69
6. Basic Relationships and Flow of Information in the Planning, Programming, Budgeting Process . . . . .	82





## CHAPTER I

### THE BACKGROUND FOR SERVICE PLANNING

The National Security Act of 1947 stands as a milepost in United States military organizational history. This legislation established the Department of Defense as the major institution in a comprehensive program to provide for the security of the United States.

Organization for defense.--The National Security Act provided for three categories within the defense organization. The National Security Council, the Central Intelligence Agency, and the National Security Resources Board comprised one category and were established to advise the President. The national military establishment was composed of two categories or echelons. The first of these was centered around the Secretary of Defense and consisted of four committee organizations: the Joint Chiefs of Staff (JCS), the War Council, the Munitions Board, and the Research and Development Board. The second military echelon was comprised of the Department of the Army, the Department of the Navy, and the newly created Department of the Air Force.

Roles and missions of the military services within the defense establishment were assigned and outlined as minimum



functions for the respective services.<sup>1</sup> Congress appeared intent upon the preservation of its powers of legislative control of the nation's armed forces. By assigning statutory roles and missions through legislation, Congress made its intentions known, namely, to impose a direct limit on the powers of the Secretary of Defense and the power of the President. Congress was not inclined to allow merger of the services, nor to allow the parts to be played by individual services to be determined solely by the Secretary of Defense or by the President.

Efforts at reorganization.---The first department heads of the newly created Department of Defense faced real challenges in attempting to direct their department. These early secretaries had legal authority without seeming to have effective authority. Their claims varied from too little authority to too little cooperation from the individual services. The right kind of advice seemed hard for these early secretaries to find; service department heads were independent and often disagreed. All the complex problems seemed to come at once; no one of them could be completely solved before it became dwarfed by others of more consequence. Something more had to be done to bring about firm direction and control of the Department of Defense.

This apparent lack of uniformity and control was not in accord with "organizational folklore" concerning military command and control. Nor was it in keeping with concepts of unification. Efforts made within the framework of existing legislation did not

---

<sup>1</sup>U. S., Statutes at Large, LXI, 253, Sections 205-208.





seem adequate to the task. Efforts at ignoring the problems were made by these early secretaries only at the gravest of risks for the security of the nation. Waiting only proved that the problems would not go away. Service answers were too often service-oriented; solution seemed to require new legislation and reorganization. So there followed, over the years after the passage of the National Security Act, three major defense reorganizations which resulted in important changes: the first in 1949, another in 1953, and the last in 1958.<sup>1</sup>

National Security Act Amendments of 1949.--The National Military Establishment in 1949 became a single executive department with the Secretary of Defense as its head. Secretaries of the services were no longer to sit on the National Security Council. According to John Ries:

These changes denied the services a direct role in defense policy-making. They were merely semi-autonomous administrative sub-divisions of the new executive department. All these provisions were in keeping with the hierarchial general staff concept of organization.<sup>2</sup>

A deputy secretary and two other assistant secretaries were authorized by the 1949 Amendments. The earlier boards (Munitions and Research and Development) were changed to staff agencies and a non-voting chairman was added to the Joint Chiefs of Staff.

---

<sup>1</sup>John C. Ries, The Management of Defense (Baltimore: Johns Hopkins Press, 1964), pp. xvi-xvii.

<sup>2</sup>Ibid., p. 141.



Title IV of the National Security Act Amendments of 1949 established the Assistant Secretary of Defense (Comptroller) and a comptroller in each of three military services.<sup>1</sup> This was a step toward promotion of economy and efficiency through uniform budgetary and fiscal procedures. It was also a giant step toward strengthening the position and influence of the Secretary of Defense.

The reorganization of 1953.--During the period 1949-1953, the Secretary of Defense relied increasingly on his assistants, the board chairmen, and his staff for advice. Civilian service secretaries, even service leaders, began to lose their influence on policy-making.

The Joint Chiefs of Staff were left alone to direct military operations with little guidance from the Secretary in terms of military policy. Budgets of the individual services were balanced out more or less equally. Unified efforts in establishing overall goals were not demanded in these times:

In times of plenty [as in Fiscal Years 51, 52, and 53], each service tended to build its own systems that it considered vital with little concern for harmony of doctrine or possible overlaps. In times of scarcity, this would lead to bitter rivalry over missions as well as dollars. There was no overriding organizational device or duty that required service chiefs to think alike or to "spontaneously consider over-all strategic doctrine".<sup>2</sup>

---

<sup>1</sup>U. S. Navy, Financial Management in the Navy, NAVPERS 10792-A, Bureau of Naval Personnel, Washington, D. C., 1962, p. 9.

<sup>2</sup>Frederick L. Nelson, "Decision-Making Controls in the Department of Defense" (unpublished Master's thesis, The George Washington University, 1964), p. 53.



In 1953, the newly installed Eisenhower Administration was to take a new view of the entire structure of defense. The shape of changes to come were outlined by the Rockefeller Committee which had intensively studied defense department organization before making a report of recommended changes.<sup>1</sup> This report became the basis for Presidential Reorganization Plan No. 6 of 1953.

The Rockefeller Committee plan emphasized the need for strengthening civilian control, for improved strategic planning, and for effectiveness with economy. The administration's Reorganization Plan showed where this strengthening should occur. The intent of the President's request to Congress was plain: "No function in any part of the Department of Defense or in any of its component agencies is to be performed independent of the direction, authority, and control of the Secretary of Defense."<sup>2</sup>

Significant changes resulting from the 1953 reorganization legislation were the addition of five more assistant secretaries, reduction of the Joint Chiefs of Staff to the status of a military staff agency, and elevation of the Chairman of the Joint Chiefs as a military advisor to the Secretary.

The Secretary of Defense gained authority from these legislative changes. But once again it became obvious that the

---

<sup>1</sup>Nelson A. Rockefeller, Report of the Rockefeller Committee on Department of Defense Organization, Office of the Secretary of Defense, Washington, D. C., April 1953.

<sup>2</sup>William R. Kintner, Forging a New Sword (New York: Harper and Brothers, 1958), p. 45.





Secretary of Defense would share his authority. Restraints and reservations required him to share his authority with Congress itself since his strength was basically of a political nature.<sup>1</sup>

After 1953, the Defense Department outwardly resembled the ideal model of a hierarchial general staff organization. The Secretary of Defense was at the top of the pyramid. Reporting to him were nine Assistant Secretaries who had functional areas of responsibility. Unified commands and the service departments were beneath all these staff agencies on the chart. The flow of authority and responsibility was vertical. Communications, information, command and control converged on the office of the secretary. Finally, the "reformers of Defense Department organization" considered that the Secretary of Defense should be in a position to "run" the Department.<sup>2</sup>

Congress appeared content with their handiwork. Members of this body could understand such a model organizational framework; so could the military. Clear-cut lines of authority and of responsibility were obvious, it seemed.

The 1953 reorganization created a general staff-type structure but it was a general staff of a new type, one completely unknown to the military. It had its own character: it was a civilian general staff. Thus, a new dimension was added to the complexities of defense organization.<sup>3</sup>

---

<sup>1</sup>Ries, op. cit., p. 163.

<sup>2</sup>Ibid., p. 164.

<sup>3</sup>Ibid., p. 165.



Reorganization of the Defense Department, 1958.--With the Korean War concluded in an uneasy peace, the horn of plenty of military appropriations began to feel the administration's "security with solvency" squeeze. Force levels and budgets became prime concerns of the services. Manpower and budget ceilings were drawn up by the President, the Bureau of the Budget, and the Secretary of Defense. These were then handed to the Joint Chiefs for allocation to the services and for establishment of force levels. Defense ends (policy) became confused with means (budget dollars and manpower). Allocation of funds was viewed as purely a military problem to be easily solved by the Joint Chiefs of Staff.

Further unification, greater centralization was urged by many as a solution to defense problems. Proposals made by the Eisenhower Administration would have had the effect of increased, independent power for the Chairman of the Joint Chiefs; of eliminating the "service leader ties to their respective services of JCS members"; and of reducing the services to support activities for the unified commands.<sup>1</sup>

Congress accepted the basic reorganization proposals but rejected some minor changes which tended to separate responsibility from authority. The legislative changes in 1958 authorized a larger

---

<sup>1</sup>W. T. Bigger, "The Structural Organization of Headquarters, U. S. Marine Corps, for Planning, Programming, and Budgeting" (unpublished thesis, Resident Course of the Industrial College of the Armed Forces, Washington, D. C., April 17, 1959), p. 30.





Joint Staff, delegation of some of the routine functions of the Joint Chiefs, and made a change in language which effectively opened the door for further centralization:

In the final version of the Act, (Department of Defense Reorganization Act of 1958, U. S. Public Law 85-599), the Congress, at the suggestion of the President, inserted "each Service shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense". The words "separately organized" are in lieu of "separately administered" contained in the National Security Act of 1947.<sup>1</sup>

Centralization by 1958 was well enough established to bring forth statements of caution from some Congressmen who were knowledgeable about defense affairs. Carl Vinson stated:

It was never intended, and is not now intended, that the office of the Secretary of Defense would become a fourth department within the Department of Defense, delving into operational details on a daily basis. The Secretary is supposed to make policy  
 . . . .<sup>2</sup>

One additional change made by the reorganization provisions of 1958 was significant. Assistant Secretaries of Defense were authorized to issue orders directly to the military departments, providing they had authorization in writing from the Secretary of Defense. This new authority can be contrasted with the Assistant Secretaries' initial status established in 1953 which provided that

---

<sup>1</sup>Chester J. Butcher, "The Program Budget Control Concept-- Key to Management of the Department of Defense" (unpublished Master's thesis, #6579, The George Washington University, Washington, D. C., September, 1963), p. 63.

<sup>2</sup>U. S. Congress, House, Committee on Armed Services, Report, Department of Defense Reorganization Act of 1958, 85th Cong., 2d Sess., 1958, H. R. No. 1765, p. 7.



they would advise and assist the Secretary of Defense "without imposing themselves into the direct lines of responsibility and authority between the Secretary of Defense and the three military departments."<sup>1</sup>

Centralization and service rivalry.--The National Security Act of 1947 as amended in 1949, 1953, and 1958 fitted the familiar historical pattern: "All defense organization proposals have purported to bring about central control. And virtually every specific change in defense structure has been defended as a means to this end."<sup>2</sup>

The impacts of centralization resulting from these reorganizations were not to be capitalized upon fully until 1961 when this would be done by a new administration and by a new Secretary of Defense. The period from 1958 to 1960 was just too short to produce real results for the Republican Administration because rivalry still divided the Department of Defense. Centralization of authority in the office of the Secretary of Defense did not, of itself, guarantee coordination or cooperation within the Department.

The public eye during the Eisenhower years had been focused on interservice rivalry as the services scrambled for their fair shares of the sharply reduced defense budgets. The competition

---

<sup>1</sup>U. S., President, Message Accompanying Reorganization Plan No. 6 of 1953. Relating to the Department of Defense, 83rd Cong., 1st Sess., H. D., 136, 1953, pp. 5-6.

<sup>2</sup>Ries, op. cit., p. xiv.



was keen and clearly apparent, but the objectives were not always clear to the public, the Congress, nor indeed, to the competitors.

Political acumen, always a virtue for a service leader, became a necessity for service advocacy and representation. This phenomena occurred in spite of a policy statement of 1953 concerning military leaders and politics:

Basic decisions relating to the military forces must be made by politically-accountable civilian officials. Conversely, professional military leaders must not be thrust into the political arena to become the prey of partisan politics.<sup>1</sup>

Thus rivalry and the pressures of service politics combined to defeat or delay the main purpose of centralization--that of allowing the Secretary of Defense to firmly guide defense efforts by establishing policy and insuring that overall planning of the services supported that policy.

---

<sup>1</sup>Kintner, op. cit., p. 64, quoting from the President's Message Accompanying Reorganization Plan No. 6 of 1953, Relating to the Department of Defense.





## CHAPTER II

### THE DEPARTMENT OF DEFENSE PROGRAM SYSTEM

For many years, the individual military departments had been making independent efforts to develop and utilize various planning and programming techniques. The trend was toward development of internal service-oriented programs which were seldom reviewed, consolidated, or analyzed in a systematic manner at Department of Defense level. The formal review of service programs took place chiefly in conjunction with the annual budget review.

Background of the program approach.--After Robert S. McNamara was appointed Secretary of Defense in 1961, he set about developing a comprehensive system for planning and controlling major military programs at the highest levels of the Department of Defense.<sup>1</sup> Secretary McNamara did not feel that the military force structure developed piecemeal through individual service programs was such as to give the nation a well-balanced defense capability throughout the spectrum of possibilities from nuclear war to guerrilla subversion activities.

To achieve this position of balance required positive steps to be taken by the Secretary to focus attention on the military

---

<sup>1</sup>U. S. Department of Defense, Programming System for the Office of the Secretary of Defense. Study report prepared by the Office of the Assistant Secretary of Defense (Comptroller), 31 May 1962, p. I-1 (cited hereafter as DOD Study Report).



missions involved in executing national policy. He needed a means for classifying military activities of all services "in terms of their missions, so that activities having similar missions could be more easily combined for decision-making purposes."<sup>1</sup> The programming structure that was developed under his direction to meet these needs was the Department of Defense Program System.

Building the framework for the program system.--The aims, methodology, and the philosophy of programming were set forth in The Economics of Defense in the Nuclear Age, by Charles J. Hitch and Roland N. McKean.<sup>2</sup> This book was written as part of Project RAND,<sup>3</sup> the research program of RAND Corporation for the U. S. Air Force, before co-author Hitch became Comptroller of the Department of Defense in 1961. The administrative mechanisms to implement the Department of Defense Program System were developed in Mr. Hitch's office by his deputy for programming, Hugh McCullough, after Hitch became Assistant Secretary of Defense (Comptroller).<sup>4</sup>

The new way of looking at defense problems which emerged from the programming system was in part motivated by shortcomings in the budget process, as seen by Secretary McNamara and Mr. Hitch.

---

<sup>1</sup>Ibid.

<sup>2</sup>Robert J. Massey, "Program Packages and the Program Budget in the Department of Defense," Public Administration Review, March, 1963, p. 30.

<sup>3</sup>For a short history of RAND Corporation, see Editor's Special Report: "Planners for the Pentagon," Business Week, July 13, 1963.

<sup>4</sup>Massey, loc. cit.





The annual defense budget, traditionally the vehicle for allocation of resources and for achieving balance in the nation's military forces, is built along functional lines. Congress uses the functional categories of military personnel, operation and maintenance, procurement, research and development, and military construction in appropriating and controlling the use of public funds by the military. But, according to Mr. Hitch, these functional categories did not "focus on the key decision-making areas which were of principal concern to top management in the Defense Department."<sup>1</sup> These key decision-areas are those involved in force level determination and weapons systems selection.

The economics of choice and military decisions.--The basic thesis of The Economics of Defense in the Nuclear Age is that major military decisions, the decisions concerning forces and weapons systems, are in reality economic decisions. As economic decisions, they revolve around the objective of getting maximum return per unit of investment or resource utilization in an environment of resource scarcity.

The object of applying economic criteria to military decisions is to insure consideration of costs and effectiveness of alternative systems so that choices (decisions) may be made that tend to maximize the overall military strength of the nation from any given level of resources applied or utilized.

---

<sup>1</sup>Charles J. Hitch, "Management of the Defense Dollar," XI, The Federal Accountant, June, 1962, p. 34.





The first element of the problem is essentially one of choosing doctrines, forces and equipment to get the most defense out of any given level of resources. In this respect, it is essentially a problem of economic choice--of relating military worth or effectiveness of alternative ways of achieving specific, well-defined national security objectives to their respective costs in terms of resources.<sup>1</sup>

Resource scarcity is an economic fact of life; this makes choices between alternative systems necessary. All resources are limited to a degree. Some are convertible; some are direct substitutes for others. Conversion or substitution, however, requires surpluses, appropriate knowledge, and sufficient manpower and time. Such conversion or substitution is likely to create new shortages in the other types of resources.<sup>2</sup>

Thus every resource allocation to one area or selected alternative may be measured by what of necessity is given up in other areas. A classic example of this allocation-sacrifice is the simplified comparison made by former President Dwight D. Eisenhower:

The cost of one modern bomber is this: a modern brick school in more than thirty cities; it is two electric power plants, each serving a town of 60,000 population; it is two fine, fully equipped hospitals; it is some 50 miles of concrete highway.<sup>3</sup>

---

<sup>1</sup>Ibid., p. 33.

<sup>2</sup>Luther Gulick, Administrative Reflections from World War II (Birmingham: University of Alabama, 1948), pp. 24-26.

<sup>3</sup>Dwight D. Eisenhower, "The Chance for Peace," an address reprinted in The Department of State Bulletin, April 27, 1953, p. 60.



There is no escaping the necessity of choice. Such choice in economic terms must be made by considering costs in relation to benefits. This implies evaluation and comparison of alternatives to some predetermined standard of merit or scale of values.

Economic analysis of alternatives through cost-benefit (cost-effectiveness) computations offered an aid to decision-making in other government agencies before advocacy for their application to military decisions was well publicized. Jesse Burkhead comments that costs and benefits of similar programs within an agency can be meaningfully compared as an aid to establishing benefit-cost ratios. Notwithstanding difficulty in definition of primary, secondary, intangible, and future benefits and in application of procedures, these measurements can contribute to more effective appraisal of programs within an agency or department.<sup>1</sup>

Such cost-effectiveness analysis has become the underlying base for decision-making in the Department of Defense since the advent of the Department of Defense Program System.<sup>2</sup> The designers of the system, however, insist that such economic analysis (i.e., cost-effectiveness) is but one way of looking at

---

<sup>1</sup>Jesse Burkhead, Government Budgeting (New York: John Wiley and Sons, 1956), pp. 250-251.

<sup>2</sup>Charles J. Hitch and Roland N. McKean, The Economics of Defense in the Nuclear Age (Cambridge: Harvard University Press, 1960). See pp. 118-119 for discussion of appropriate economic criteria and the elements of military choice.





military decisions in an environment of uncertainty.<sup>1</sup> Further, it is readily declared that such analysis should concern peacetime, not wartime, costs. National security in peacetime is the object of concern:

The major economic problem is to maximize the capability of forces in being by using resources efficiently before the war starts--so efficiently that we hope an enemy will never dare start it.<sup>2</sup>

A requirement for reorientation.--Modern weapons systems are complex and costly and require lengthy periods to develop. They have come to be the key decisions around which much else of the Defense program revolves. Decision-making at top Defense levels required extensive data concerning these weapons systems and the forces which are to employ them. These data were required in a form of costs of weapons systems related to effectiveness in terms of missions. Data in this form, according to Mr. Hitch, could not be provided by the existing financial systems of the services:

It was clear to us, therefore, that the existing financial management system would have to be reoriented and restructured if it was to provide the data needed by top Defense managers to make the really crucial decisions.<sup>3</sup>

These "really crucial decisions" which determine overall U. S. military power and balance are those which specify the force

---

<sup>1</sup>Ibid., p. v.

<sup>2</sup>Ibid., p. 170.

<sup>3</sup>Hitch, "Management of the Defense Dollar," op. cit., p. 35.





levels, deployment, and composition over time of all military units. The purpose of Department of Defense programming is to "aggregate these units in a manner which is meaningful and convenient for top-level decision making."<sup>1</sup>

Major programs and program elements.--The Department of Defense program system consists of nine major programs oriented around given military missions or sets of related purposes.

Four programs have missions which are explained by their titles: Strategic Retaliatory Forces, Continental Air and Missile Defense Forces, General Purpose (conventional war) Forces, and the Airlift and Sealift Forces. Three others are primarily supporting programs: Reserve and Guard Forces, Research and Development program, and General Support (an all-others category). The last two major programs are Civil Defense and Military Assistance programs. Naval forces are not included in these latter two.<sup>2</sup>

Each major program is a grouping of program elements. These program elements are defined as integrated activities-- combinations of men, equipment, and installations whose effectiveness can be related to national security objectives.<sup>3</sup> These

---

<sup>1</sup>DOD Study Report, op. cit., p. II-1.

<sup>2</sup>U. S. Department of the Navy, Office of the Comptroller, Program Change Control System in the Department of the Navy, NAVEXOS P-2416, August, 1962, Appendix C. This reference cited hereafter as NAVEXOS P-2416.

<sup>3</sup>Ibid., pp. 2-3, 2-4. A listing of programs in which the U. S. Navy and U. S. Marine Corps participate and a listing of the applicable program elements appear in Appendix C, pp. C-1 to C-7. A list of program elements in the Department of Defense Five Year Force Structure and Financial Program to which Marine Corps resources are charged is shown in the Appendix to this paper.



elements in the original programming format were grouped into sub-program aggregations, either because they served each other or a common mission, and were referred to as "program packages." This phraseology has been used frequently by early writers on the subject but is no longer in general or official use; the term "programs" now denotes aggregations of elements. An illustration using the current terminology would show that an Aircraft Carrier, CVA-Forrestal Class, would be an element within the program (aggregation) called Attack Carrier Strike Forces which is a part of the major Program III--General Purpose Forces.

The basic make-up of elements, programs, and forces was established on a "one-time determination" in 1961. Necessary changes are made relative to this base classification. This base is called the Five Year Force Structure and Financial Program (FYFS&FP) and is constituted of all approved programs of the Department of Defense, arrayed over five successive operating years. Changes to the Five Year Force Structure and Financial Program are made through documentation processes called Program Change Proposals (PCP's) which undergo critical analysis and review at all levels, with final approval authority resting with the Secretary of Defense.<sup>1</sup>

The Five Year Force Structure and Financial Program (FYFS&FP) contains program decisions of the Secretary of Defense.

---

<sup>1</sup>Ibid., passim.





Only approved programs, fully costed in terms of research and development costs, initial investment costs, and projected operating costs for a period of five years, go into the Five Year Force Structure and Financial Program.<sup>1</sup> Changes to existing programs and program elements, once approved, enter the Five Year Force Structure and Financial Program where other programs or elements are adjusted as required by the change.<sup>2</sup>

Major goals and features of the system.--Major objectives of the Department of Defense programming system at its inception were:<sup>3</sup>

1. To plan programs around major missions rather than Services.
2. To relate resources--manpower, materiel, equipment and the like--to military output.
3. To coordinate long range planning with budgeting.
4. To appraise programs on a continuous basis.
5. To control approved programs through timely progress reports.
6. To provide a capability for making cost-effectiveness studies of alternative force structures.
7. To integrate OSD information systems in order to avoid duplication.

---

<sup>1</sup>The definition of "cost" most useful for programming purposes is total obligational authority (TOA). TOA is defined as the "total amount of funds available for programming in a given year, regardless of the year the funds are appropriated, obligated or expended." DOD Study Report, op. cit., p. II-4 and II-5.

<sup>2</sup>NAVEXOS P-2416, op. cit., pp. 4-1, 4-2.

<sup>3</sup>Ibid., p. iii.





Accomplishment of these objectives was to lead to providing more and better information for decision-making purposes to the Secretary of Defense by combining existing information channels into one channel: the program system. Review of service proposals was to be timely and continuous to ensure that decisions were made in light of future efforts and overall defense requirements, as opposed to individual service orientation. Reporting systems were incorporated in the program system to provide physical progress reporting and resource accounting information to support the data requirement and to measure progress against plans.

Cost categories and computations.--The overall requirement at Department of Defense level for financial information was put into specific requirements which were provided by the services and departments within the framework of the program system.

To permit cost-effectiveness studies and to allow analysis of the full impact of all programs, the Office of the Secretary of Defense specified that the cost of each element would be submitted by the services on their respective elements of various programs. These costs were submitted to cover five year periods and were broken down in several ways:<sup>1</sup>

1. By total obligational authority and expenditures.
2. By appropriation account and budget title, in line with the present budget structure.
3. By the three broad categories of costs--research and development, investment, and operation.

---

<sup>1</sup>NAVEXOS P-2416, op. cit., p. 2-9.



Ideally, these costs would be most useful if computed and projected over the entire life span of a weapons system, but, because of the difficulty of making such long-term projections with any degree of precision, a five year period of projection was decided upon. This length of period, according to Assistant Secretary of Defense (Comptroller) Hitch, is "short enough to make possible reasonably accurate estimates and long enough to provide a good approximation of the full cost."<sup>1</sup> This decision provided the time frame of the Five Year Force Structure and Financial Program, the programming systems' document.

The entire complex of programming--the Five Year Force Structure and Financial Program, Program Change Proposals, and associated progress reports--appears to rest on measurements of cost-effectiveness (costs of research and development, investment, and operation of a system in relation to a measure of effectiveness of contribution to basic national security objectives). Although the calculations of cost-effectiveness measurements undoubtedly are involved and difficult, the basic questions behind the mathematics are relatively simple:

First--what is the most economical, therefore, the most efficient,<sup>2</sup> way of accomplishing a given task or gaining a capability?

---

<sup>1</sup>Hitch, "Management of the Defense Dollar," op. cit., p.35.

<sup>2</sup>Hitch and McKean, op. cit., p. 3.



Second--what must be sacrificed to acquire this capability or to accomplish the given task?

The end result of unbiased analysis of these two major questions should result in an array of alternatives, each with some measure of cost-effectiveness. The ultimate choice of programs or approval of program changes remains an amalgam of calculations, expertise, experience, and judgment.

Upon approval of a program change, regardless of the weights given to the selection criteria, it enters the Five Year Force Structure and Financial Program where its phased increments become useful for annual budget preparation. This "improved" relationship between approved programs and annual budget requests was a prime reason for establishing the program system.<sup>1</sup>

Relationships between programming and budgeting.--The principal vehicle for allocating resources, for achieving a "balanced" output from the military establishment as an entity, has traditionally been the annual budget process. However, the annual budget has limitations for the "balancing task" in the modern military environment. Where major weapons systems have such enormous costs and long lead-times for development, and where the budget is built along functional lines, it is difficult to relate cost inputs with military outputs.<sup>2</sup>

---

<sup>1</sup>NAVEXOS P-2416, op. cit., p. 1-1.

<sup>2</sup>Massey, op. cit., p. 31.





Apparently aware of this limitation, the designers of the Department of Defense programming system sought to use the tools and techniques of economics and financial management outside the confines, the constraints, of the annual budgetary process.<sup>1</sup>

It is now recognized that budget decisions are by their very nature program decisions as well. But the reverse is not necessarily so in the annual budget process. Programming was to be an attempt to make program decisions evolve into budget decisions: "Ideally a decision to embark upon a program should be a specific decision to include the funds to carry it out in the budget as submitted by the Department of Defense."<sup>2</sup>

Those who developed the program system point out that program review is not intended to replace budget review or to be a substitute for such review. The intention is that approved programs in the Five Year Force Structure and Financial Program would provide the base for preparation of the annual budget.<sup>3</sup>

Under the program system, program review is a continuous process. Therefore it should be possible, at any point in time, to develop an annual budget by using the first year increments of the approved programs as the budget base.<sup>4</sup>

---

<sup>1</sup>Ibid.

<sup>2</sup>Ibid., quoting remarks of Charles J. Hitch.

<sup>3</sup>NAVEXOS P-2416, op. cit., p. 1-6.

<sup>4</sup>Ibid.



The potential of programming.--This approach to decision-making in the Department of Defense through the use of tools and concepts of economic analysis seemed to hold great promise in the eyes of Secretary of Defense McNamara early in his tenure. What the Secretary of Defense expected from the programming system was well expressed by Assistant Secretary of Defense (Comptroller) Hitch in his statement before the Jackson Subcommittee where he appraised the potential of programming in these words:

These improvements, of themselves, will not make the hard decisions easy, nor will they make simple the complex problem of formulating national defense policy. What they will do, we hope, is facilitate the rational analysis of national security problems. They will make us aware of the full cost implications of the choices we make. They will permit us, in shorter time and with greater accuracy, to cost out the various policy alternatives presented to the National Security Council for its consideration. I feel very strongly that whether one is choosing among particular items of equipment or among various policy proposals, it is extremely useful to array explicitly the alternatives and their respective costs and effectiveness. The procedures we are developing will promote this way of looking at our defense problems, this way of deciding how best to defend the security of the United States.<sup>1</sup>

Four years' experience with the Department of Defense program system has shown that with its potential and strengths have come certain weaknesses, shortcomings, and problem areas. Chapter III contains some current observations concerning the program system and its implications.

---

<sup>1</sup>U. S. Congress, Senate, Committee on Government Operations, Organizing for National Security: The Budget and the Policy Process, Hearings before the Subcommittee on National Policy Machinery (Jackson Subcommittee), Part VIII, 87th Cong., 1st Sess., 1961, p. 1012.





### CHAPTER III

#### SOME OBSERVATIONS AND IMPLICATIONS OF THE PROGRAM SYSTEM

The management thought which is reflected by the Department of Defense program system might well be related to two ideas developed by Luther Gulick in his summary of administrative lessons to be learned from World War II:

[1/ A clear statement of purpose in terms of time, resources, and interrelations is the outstanding guarantee of effective administration.

• • • [2/ • • • • • The translation from purpose to program is the crucial step in administration, a process which involves the identification of the key controllable elements in a given situation and then the sure manipulation of those few keys.<sup>1</sup>

The Department of Defense program system has a clear statement of purpose to develop an instrument of national policy which is responsive to centralized control. Its structure is built in terms of resources and interrelations in a specific time frame in the form of the Five Year Force Structure and Financial Program. Key controllable elements have been identified in terms of availability, capability and costs. The "sure manipulation of those few keys" remains the determinant of the responsiveness of the system as a management device.

---

<sup>1</sup>Gulick, op. cit., pp. 118-119.



This conceptual basis of the program system embraces the proposition of centralized decision-making with decentralized execution of these decisions. This continuation of the trend noted earlier toward centralization of decision-making in the office and person of the Secretary of Defense has been rapidly accelerated by the operation of the program system.

As a consequence of the implications which are inherent in its use, the Department of Defense program system seems to be characteristically evaluated (at least by persons in the military environment) with reservations as to either the "economic rationale" on which it is based, or to the "ultimate consequences of centralization."<sup>1</sup> Such reservations tend to result in a great number of critics of the program system. Even those who support both the rationale and the tendency toward centralization can find fault with the mechanics of the system's application or with detailed procedures of its operation.

General observations.<sup>2</sup>--The program system routinely provides the Secretary of Defense with more information for

---

<sup>1</sup>These expressions, in varying forms, were read and heard several times during the period of study and research for this paper.

<sup>2</sup>The comments concerning the strengths, weaknesses, and implications of the DOD program system were collected during the research from various individuals who work with the program processes related to their positions of responsibility within the Department of the Navy. Their viewpoints are presented more with an intention to give a "feel and flavor" for the system than to attempt to exhaustively evaluate the program system in its present environment.



decision-making than he ever had before 1961. This greatly accelerated flow of data is being used to communicate more readily, more meaningfully, between the military departments, the Joint Chiefs, and the offices of the Secretary of Defense.<sup>1</sup> The program system has added a new and important dimension to integrated planning, coordination, and control of the vast Defense complex.

One of the most notable advantages of the system's operation seems to be its way of forcing consideration of alternatives which might otherwise not be considered.<sup>2</sup> In this regard, service response to the system's detailed requirements apparently gives a measure of direction to planning efforts which was not evident before the advent of the program system:

We started out to meet Department of Defense requirements, per se. By now, the system is so firmly embedded that it will outlive the present Secretary of Defense. And it should. It imposes a badly needed discipline on internal planning and programming.<sup>3</sup>

---

<sup>1</sup>Interview with Lt Col Marvin D. Volkert, U. S. Marine Corps, Plans and Review Section, Budget Branch, Fiscal Division, Headquarters, Marine Corps, Washington, D. C., February 18, 1965.

<sup>2</sup>Interview with Major R. J. Lynch, U. S. Marine Corps, Plans and Review Section, Budget Branch, Fiscal Division, Headquarters, Marine Corps, Washington, D. C., September 25, 1964.

<sup>3</sup>Richard G. Shutt, Captain, U. S. Navy, Director of Navy Program Information Center. Presentation for the Navy Graduate Financial Management Program at The George Washington University, November 30, 1964. Captain Shutt's presentation was very helpful in giving perspective to the program system and is referenced frequently herein.





Generalizations about the program system as a management tool were found to be favorable concerning the economic approach used, but unfavorable concerning the detailed administrative procedures and workload which accompanies program maintenance. Once the rationale of considering "military decisions as economic decisions" is fully understood, its value as "a way of looking at military problems" seems more likely to be appreciated. Economic analyses and cost-effectiveness studies conducted in response to requirements for justification have proved beneficial, in spite of the necessity to estimate some of the inputs in very broad terms.<sup>1</sup>

Any summary of strengths of the program system might involve a comparison of original goals and those which have now been realized except that several of the original goals were long-term propositions. It is unlikely that these long-term goals could be fairly appraised after only four years' experience with the program system. Significant accomplishments have, however, been realized in reporting and program appraisal. Basically, the objectives of the system seem realistic and attainable over time despite some serious handicaps pointed up by critics of the system.<sup>2</sup>

---

<sup>1</sup>Ibid.

<sup>2</sup>Fred D. Bennett, Rear Admiral, U. S. Navy, Assistant Comptroller and Director of Budgets and Reports, Department of the Navy, "Role of the Budget Officer." Presentation for the Navy Graduate Financial Management Program at The George Washington University, October 26, 1964.



Observations of weaknesses.--The program system does have shortcomings and retains certain weaknesses despite continuing efforts to eliminate them.

The first of these, and seemingly foremost in the minds of many critics of the system, is the fact that the Department of Defense program system "imposed a massive river of paper" upon already overloaded administrative channels, resulting in "super-saturated workloads."<sup>1</sup> The stringent demands for additional data gave rise to "reporting systems which grew like Topsy in a frantic effort to meet the requirements and to expand the data base."<sup>2</sup>

Another weakness, which is not visible to the casual observer of the system's operation, nor to the reader of much of the published work concerning the program system, seems to indicate a failure to meet a principal goal of the system: "The greatest weakness of the present Department of Defense program system is that budgeting is not yet in line with programming; the two are not properly tied together."<sup>3</sup>

---

<sup>1</sup>Shutt, loc. cit.

<sup>2</sup>Morris A. Hirsch, Rear Admiral, U. S. Navy, Deputy Comptroller, Department of the Navy. Presentation for the Navy Graduate Financial Management Program at The George Washington University, February 11, 1965.

<sup>3</sup>John K. Leydon, Rear Admiral, U. S. Navy, Chief of Naval Research. Presentation for the Navy Graduate Financial Management Program at The George Washington University, December 7, 1964.





Further, it appears that no revision of program or budget processes is to be directed from the offices of the Secretary of Defense to complete the "bridge between plans and budgets." This pressure will apparently have to come from the individual services upward in order to synthesize the budget/programming system in the future.<sup>1</sup>

Another shortcoming of the program system, when considered from an individual service viewpoint, is that the system offers little, if any, internal management support for the individual service. The system is oriented toward overall Defense Department management needs alone. This results in the program system being super-imposed on existing management systems of the services without contributing to the support of these systems:

We do not and cannot manage the Navy in DOD program terms. . . . First, because the program element concept is too big for internal management; second, there is no great savings indicated by "switching"; finally, we have historically managed, and are familiar with, appropriation terms.<sup>2</sup>

Although translation of data between service programs, appropriation terms, and Department of Defense program terms is possible, such translation at present is costly, time-consuming, and subject to error in the process. Automatic data processing of program information has lessened the effects of, but not eliminated, this weakness.

---

<sup>1</sup>Ibid.

<sup>2</sup>Shutt, loc. cit.



Certain improvements have been made, or are underway, to eliminate or reduce the impact of these procedural weaknesses in the program system.<sup>1</sup> Other weaknesses appear to exist, however, which are more of a philosophical nature and for which no solution seems apparent at present.

The first of these revolves around the tendency of the program approach to justify more requirements of the services than were possible before such system was used. From the viewpoint of an individual service, it would seem inconsistent to call this a weakness or a disadvantage. But at least one service leader sees it that way: "One weakness in the program system seems to be that it 'smacks' of a Letter-to-Santa Claus approach; the overriding tendency is to drive upward."<sup>2</sup>

This disadvantage becomes more obvious if one considers that a Defense budget request, carefully worked out through economic analysis and selection of alternatives, can be summarily cut by the Congress "across the board" as being simply "too big." This is not a new phenomenon, but should this happen to a budget created through the program process, serious doubts could be entertained about the validity of the "balancing" premise of the basic programming approach which builds on incremental changes, rather than "across the board" changes or revisions.

---

<sup>1</sup>NAVEXOS P-2416 provides a summary of improvements undertaken by the Department of the Navy. See footnote 2, page 17.

<sup>2</sup>Bennett, loc. cit.



Finally, the program system of the Department of Defense appears to have built into its structure more than the usual amount of inflexibility which Albers says inherently accompanies any planning process.<sup>1</sup> Operating decisions in the Five Year Force Structure and Financial Program are concerned with incremental, rather than complete changes and thus fit the classical planning model where "yesterday's decisions impose a high degree of inflexibility upon tomorrow's plans and decisions."<sup>2</sup> This would seem to be especially worthy of note in a planning process extension such as the program system where decisions result from detailed data, are carefully analyzed, and are carefully documented. Flexibility is provided by the program change proposal system, but this, too, is sufficiently detailed and complicated so as to reduce recommended changes to minimums, consistent with operational adequacy.

Identification of problem areas.--Several aspects of the Department of Defense program system do not lend themselves to categorization as strengths or as weaknesses. These are the "gray areas" that have developed from routine operation of the system since its introduction in the Department of Defense. Four such problem areas involving thresholds and ceilings, interservice coordination, costs breakout and cost correlation, and resource

---

<sup>1</sup>Henry H. Albers, Organized Executive Action (New York: John Wiley and Sons, Inc., 1961), p. 302.

<sup>2</sup>Ibid., p. 233.





distribution among major programs will be introduced in this section. Coverage in depth of these areas will not be attempted nor will it be implied that these are the only, or even the most important, of the many "gray areas" surrounding the program system.

One criticism often heard during this research effort was that "management of manpower and all other resources rests in the hands of the Secretary of Defense, or his deputy, since they alone can approve Program Change Proposals (PCPs)." Although approval authority is retained by the Secretary, interpretation is necessary before weighing the criticism since the system was designed to bring significant changes to the personal attention of the Secretary for his approval.<sup>1</sup> Presumably minor changes, and those outside the program system parameters, could be made without higher approval: "The Program Change Control System does not alter approval requirements and operating procedures of a specialized nature such as . . . manpower changes within authorized departmental ceilings."<sup>2</sup>

Manpower ceilings and "threshold criteria" (various established maximum ranges of change within which no formal Program Change Proposal submission is required) allow the military departments and services some leeway for managing in accord with individual service needs. The thresholds are set very low in some cases, however. For example, any new program element, regardless

---

<sup>1</sup>NAVEXOS P-2416, op. cit., p. 4-1.

<sup>2</sup>Ibid.



of dollar amounts involved, exceeds present threshold criteria, as does any change affecting total authorized year-end manpower spaces.<sup>1</sup> Thus established thresholds severely limit service freedom in decision-making without reference to higher authority. Further, the threshold criteria are subject to change by the office of the Secretary of Defense and can be raised or lowered as necessary to maintain central control of program procedures.

An "above threshold" change requires compliance with the formalities of the Program Change Proposal submission and illustrates the tremendous amount of interservice coordination that is required by the system. For instance, the Commandant of the Marine Corps, as a program sponsor, must coordinate with from eight to ten interested Navy bureau and department heads, plus his own headquarters staff, when making certain program changes. These bureaus and offices include: Bureau of Yards and Docks, if facilities are involved; Bureau of Medicine and Surgery for medical records and provisions; Bureau of Naval Personnel for any Navy personnel affected; Bureau of Supplies and Accounts for general stores; Bureau of Ships for ground supplies; Bureau of Weapons for ground electronics; and with several offices of the Chief of Naval Operations, e. g.: with "OP-01" for personnel guidance; with "OP-04" for handling equipment; with "OP-05" for aircraft assignment; and, finally, with perhaps "OP-07", if

---

<sup>1</sup>Ibid., pp. 4-2, 4-3.





aircraft systems improvement is involved.<sup>1</sup>

Despite the coordination that is demanded and despite the detailed input to the Five Year Force Structure and Financial Program, discrepancies apparently do get into, and remain in, the projections of the Five Year Force Structure and Financial Program. There seems to be a gap of some proportion between the Five Year Force Structure and Financial Program and the obligations created under the programming. The size and definition of this gap is not too clear at present. By 1970, perhaps earlier, correlation audit will reveal the true nature and extent of this apparent gap.<sup>2</sup>

In a similar vein, it seems that accounting systems are unable to create cost inputs which are acceptably reliable and consistent with the needs of the program system. Only in a "clean" program element, such as Polaris, can costs be broken out with any validity. All accounting systems are not yet tied in effectively with the program system.<sup>3</sup>

The final problem area to be mentioned here is that of distribution of service resources among the major programs.<sup>4</sup>

---

<sup>1</sup>Shutt, loc. cit.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid.

<sup>4</sup>See NAVEXOS P-2416, op. cit., Appendix C, for overall distribution of Navy and Marine Corps elements and programs.



Where the majority of total service participation is heavily weighted toward one or another of the major programs, significant questions can be asked concerning the manner in which service participation in the remainder of the programs is accounted for. The nature of this problem can best be illustrated by the following example:

Distribution of FY 65 Navy resources among the major programs gives some food for thought. Program VII--General Support--utilized twenty per cent (20%) of the Navy dollars and thirty-two per cent (32%) of its people in what is substantially an "overhead" or catch-all program. The overall distribution was roughly as follows:

<u>Program</u>	<u>Navy Dollars (%)</u>	<u>Navy Personnel (%)</u>
I	7	1
II	1	1
III	60	60
IV	1	1
V	3	3
VI	8	1
VII	20	32
All	<u>100<sup>a</sup></u>	<u>100<sup>a</sup></u>

<sup>a</sup>Totals will not add because percentages are rounded.

Thus, sixty per cent (60%) of our Navy "eggs" are in Basket III. Is it worthwhile to measure and account for the others in such detail as is now required?

Further, how effective is the program system that in effect "excludes" consideration of, or lumps, twenty per cent (20%) of our dollars and thirty-two per cent (32%) of our personnel as "overhead"? . . . Would it be useful to further define this twenty and thirty-two per cent? . . . Would it be economically feasible to do so?<sup>1</sup>

---

<sup>1</sup>Shutt, loc. cit. This was a blackboard exercise with commentary by Captain Shutt.



There are no ready answers for these questions nor are there easy solutions to the problem areas just presented. One problem area created by the program system does, however, appear more sharply controversial than any of the others and is deserving of special attention, even though it was treated in general terms earlier in this paper. This area is that of centralization of power in the hands of the Secretary of Defense and the implications of this centralization for the military services.

Centralization and its implications.--Hearings before the Jackson Subcommittee on National Policy Machinery in 1961<sup>1</sup> explored the "likely implications" of the newly installed program concept and its consequences for defense policy.<sup>2</sup> A comment by Aaron Wildavsky seems to sum up the ultimate outcome of the program concept: "The most significant result . . . may turn out to be the increased power it gives to the Secretary of Defense."<sup>3</sup>

Genuine concern is developing within military circles against this greater concentration of power in the Secretary of Defense. "Single service" suspicions have not yet been laid to rest nor have the opponents of centralization been silenced. In

---

<sup>1</sup>U. S. Congress, Senate, Committee on Government Operations, Subcommittee on National Policy Machinery, Hearings, Organizing for National Security, The Budget and the Policy Process (Jackson Subcommittee), 87th Congress, 1st Session, 1961..

<sup>2</sup>Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown, and Company, 1964), p. 139.

<sup>3</sup>Ibid., p. 140.





January, 1965, the President of the Marine Corps Reserve Officers' Association spoke out against this trend:

It would appear to me, as your National President, that we must face the fact that the Secretary of Defense, whether we agree with him or not, is determined to bring about an absolute merger of the armed forces of this country into a single service headed by a single service chief and by a single civilian head in the form of a Secretary of Defense. This is a position which MCROA has opposed since the end of World War II. This is a position which appears destructive of the constitutional form of government in this country as related to the Armed Services. It is a position which could eventually lead to the destruction of our country as it has to all others which have adopted this system. I think we all must band together to oppose this continuing erosion of the separate services.<sup>1</sup>

There appears to be little doubt but that centralization of defense management was intended to be accomplished by the program system and that such centralization is a reality. Unilateral service determination of service requirements has been greatly circumscribed for Fiscal Year 1966.<sup>2</sup> The uniformity of service programming resulting from central direction and the increasing use of electronic computers to aid data collection and decision making at Department of Defense level tend to accelerate such centralization. The limits to which centralization will go within the Department of Defense are still in doubt. An offspring

---

<sup>1</sup>Arthur B. Hanson, National President, Marine Corps Reserve Officers' Association (MCROA). Letter to members of MCROA, dated 18 January 1965.

<sup>2</sup>Bennett, loc. cit.



of the programming system is the functional area review (e. g., command, control, communication) which is considered by the Offices of the Secretary of Defense as being a "natural evolution of the program system."<sup>1</sup>

Whether centralized control and direction are a natural evolution or not avoids the major issue. The crucial question seems to be this: is centralized direction necessary to accomplish the mission of the Department of Defense? The answer to this question depends in turn on whether or not centralized planning is necessary from the Office of the Secretary of Defense. Granting that central planning is necessary from this office insures that centralized direction will follow. Whenever authority for routine decision-making or operations is decentralized, greater emphasis is placed on the need for feedback as a measure of performance and conformance. Such surveillance provides a basis for central control or redirection of action. Planning is of little value unless there is a provision for control to give a degree of certainty to the fulfillment of the planned action.<sup>2</sup>

The trend toward increasing centralization is obvious. Service officials have directed words of caution to their own services concerning the consequences of failing to recognize the trend. One such example seems to infer the inevitable acceleration

---

<sup>1</sup>Shutt, loc. cit.

<sup>2</sup>John F. Mee, Management Thought in a Dynamic Economy (New York: New York University Press, 1963), p. 67.





of the trend: "As things become more centralized, it becomes apparent to me that, if we want to participate in molding policies, we must get in early, on the ground floor, as active participants--not as passive recipients of policy already made."<sup>1</sup>

Many believe that not only will centralization continue and accelerate, but also that the present philosophy underlying the program system will perpetuate itself: "The present program system is but a beginning; 1961 to 1964 is only a primer for this way of looking at and thinking about the military decision processes."<sup>2</sup>

Even as a "beginning," the program system has had significant impacts on the Department of Defense and on the individual military services. This overview of programming will serve as background for consideration of some effects of the program system on the Marine Corps that are explored in Chapter V, while Chapter IV will review planning and programming as conducted by the Marine Corps before introduction of the Department of Defense program system.

---

<sup>1</sup>Hirsch, loc. cit.

<sup>2</sup>Leydon, loc. cit.



## CHAPTER IV

### MARINE CORPS PLANNING AND PROGRAMMING, 1960

Defense policy-making was becoming more centralized prior to 1960, but plans and programs of the services for attaining objectives were still generally single-service oriented. Planning and programming was mainly developed independently by the individual services, except for the service plans oriented toward support of war plans of the Joint Chiefs of Staff.

Planning done by the Marine Corps was an exception to the general rule of "independent planning." The necessity existed for coordination of Marine Corps plans with those of the Navy because of the unique position of the Marine Corps within the Department of the Navy and its requirements for naval support in executing the amphibious warfare mission.

The official reference for planning and programming in the Marine Corps in 1960 was the U. S. Marine Corps Planning and Programming Manual, NAVMC P-2518, first published on 24 April 1959.<sup>1</sup> The U. S. Marine Corps Planning and Programming Manual

---

<sup>1</sup>In October, 1961, this manual was incorporated into the Marine Corps Directives System as Marine Corps Order P-3121.1. In 1962, it was revised and published as Marine Corps Order P-3121.1A. In January, 1965, a further revision of the Marine Corps Manual for Planning and Programming was published as Headquarters Order P-3121.2. This latter revision supercedes all others.



(MCO P-3121.1)<sup>1</sup> was published for the information, guidance, and compliance of all concerned with Marine Corps planning. This manual set forth the relationships of Marine Corps plans and programs to the budget cycle and to the plans and documents of the Joint Chiefs of Staff, Secretary of the Navy, and the Chief of Naval Operations.

The procedures concerning the related functions of budgeting, funding, and procurement were briefly discussed at appropriate points in the manual to clarify their relationship to planning and programming. As an official directive of that period, the U. S. Marine Corps Planning and Programming Manual, NAVMC P-2518, 1959 (MCO P-3121.1), represented the Marine Corps policies and procedures in effect from 1959 until 1961.<sup>2</sup>

Service plans, 1960.--Marine Corps service plans indicated the forces required for war and the support these forces required. The Commandant of the Marine Corps was responsible for determining the nature and extent of such required support for his service. Other services were to provide required assistance in meeting requirements by furnishing personnel, materiel, facilities, and

---

<sup>1</sup>The original 1959 manual will be cited hereafter as MCO P-3121.1; the revised 1962 manual as MCO P-3121.1A; the 1965 manual as HQO P-3121.2.

<sup>2</sup>The factual material in this section is based on or taken from MCO P-3121.1, the original 1959 manual. The assumption is made that written policies and procedures were executed and enforced as written in this manual since no evidence to the contrary was discovered in the research effort.





services. Such plans were designed to develop detailed requirements, phased in time, for personnel, materiel, facilities, and services. Generally they consisted of three parts: (1) Troop (or force) plan, (2) Manpower plan, (3) Materiel plan (which included facilities).

Service plans of the Marine Corps were prepared to reflect capabilities or objectives, to show service requirements, or to provide guidance to subordinate commands. All plans were oriented to serve announced national policy goals and to support war plans of the Joint Chiefs of Staff.

Marine Corps support of Joint Chiefs of Staff planning.--

Since 1952, when the Joint Chiefs adopted the Joint Program for Planning,<sup>1</sup> three Joint strategic documents have been prepared each year. These covered three separate but related time periods. These documents were the Joint Long-Range Strategic Estimate (JLRSE), the Joint Strategic Objectives Plan (JSOP), and the Joint Strategic Capabilities Plan (JSCP).

These Joint documents were the basis for preparation of service plans, estimates and programs covering the same time periods as the related Joint plan. All such plans, Joint and service, were revised each year. The Marine Corps participated in all three Joint plans by submitting necessary information and data

---

<sup>1</sup>U. S. Department of Defense, Joint Chiefs of Staff, Joint Program for Planning, Joint Chiefs of Staff Secretariat, Washington, D. C., July 27, 1955.



for consideration and inclusion in each Joint plan directly to the Joint Chiefs of Staff.

The service plans of the Marine Corps supported strategic war plans of the Joint Chiefs. These supporting plans were: the Marine Corps Long Range Plan (MLRP), which supported the Joint Long Range Strategic Estimate; the Marine Corps Objectives Plan (MOP), which supported the Joint Strategic Objectives Plan; and the Marine Corps Capabilities Plan (MCP), which supported the Joint Strategic Capabilities Plan. The Marine Corps prepared these plans based on the latest approved Joint Chiefs of Staff plans, guidance from higher authority, and its own assumptions.

Marine Corps participation in the U. S. Navy Planning System.--The Navy Planning System promulgated by OPNAV INSTRUCTION 5000.19A provided for the development of Navy service plans and programs, as well as for Departmental level plans and programs. The Commandant of the Marine Corps participated in certain aspects of the Navy service plans and in all aspects of the Departmental planning.

Navy service plans in which the Marine Corps participated in 1960 were:

1. Navy Long Range Requirements (NLRR).
2. Navy Long Range Objectives (NLRO).
3. Navy Objectives Plan--Fiscal Year (NOP).
4. Navy Capabilities Plan (NCP).
5. Navy Logistics Capabilities Plan (NLCP).





Department of the Navy plans in which the Marine Corps participated in 1960 were the Department of the Navy Annual Program Objectives and the Basic Naval Establishment Plan. The Commandant of the Marine Corps prepared the Marine Corps' portion of these plans and submitted them to the Chief of Naval Operations and to the Vice Chief of Naval Operations, respectively, for the approval of the Secretary of the Navy. The relationships of Marine Corps plans with Navy service plans and the Joint Chiefs of Staff plans in 1960 are shown in Figure 1.

Responsibilities for Marine Corps planning.--Final responsibility for Marine Corps planning rests with the Commandant of the Marine Corps. With the assistance of the Deputy Chief of Staff (Plans) and the Deputy Chief of Staff (Research and Development), the Chief of Staff of the Marine Corps directed the development and execution of Marine Corps plans in 1960. In this effort, he was further assisted by the Marine Corps Planning and Programming Committee consisting of the following officers:

Deputy Chief of Staff (Plans), Chairman

Deputy Chief of Staff (Research and Development)

Assistant Chief of Staff, G-1

Assistant Chief of Staff, G-2

Assistant Chief of Staff, G-3

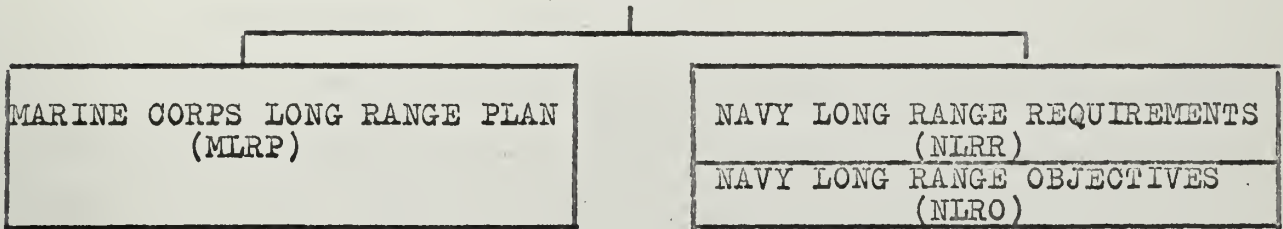
Assistant Chief of Staff, G-4

Director of Aviation

Director, Division of Reserve



LONG RANGE PLANNING  
JOINT LONG RANGE STRATEGIC ESTIMATE  
(JLRSE)



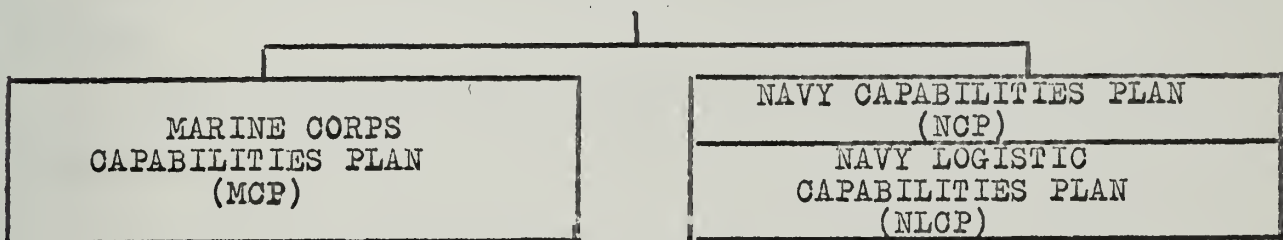
(Covered four calendar years starting eight years hence.)

MID-RANGE PLANNING  
JOINT STRATEGIC OBJECTIVES PLAN  
(JSOP)



(Covered three fiscal years starting five years hence.)

CURRENT PLANNING  
JOINT STRATEGIC CAPABILITIES PLAN  
(JSCP)



(Covered single fiscal year.)

Source: Adapted from U. S. Marine Corps Planning and Programming Manual (MCO P-3121.1, 1959).

Figure 1.--Relationships between Marine Corps and Navy service plans and the plans of the Joint Chiefs of Staff.



Fiscal Director

Quartermaster General

This committee was formed to insure coordination within Headquarters, Marine Corps, (HQMC), of service and departmental plans; to review and coordinate programs, program directives, and policy for subsequent fiscal years (or those relating to major reprogramming during the current year); and to make recommendations on program objectives, programs and policy as a basis for preparation of the annual budget directive for each fiscal year.

Long range planning, 1960.--Long range planning was directed toward the weapons and strategies of the future. It purported to translate national policy into military strategy to provide guidance for the orderly development of military resources and for research and development purposes. The Joint Long Range Strategic Estimate established only in a general way the type of war expected and the basic undertakings required in the interim period.

The supporting long range plans of the services were viewed very flexibly:

Approval of the Marine Corps Long Range Plan is not a predetermination of action in the long range future; rather, the plan's estimate of the future is useful, not as a guide to future action, but as guide to current actions.<sup>1</sup>

The Marine Corps Long Range Plan was designed to set forth broad indications of Marine Corps requirements (beginning eight

---

<sup>1</sup>MCO P-3121.1, p. 3-4.





years after publication), guidelines for research and development, concepts of modern amphibious operations and for advanced bases, and desirable long range posture and deployments.

Mid-range planning.--Mid-range planning of the Marine Corps at this time was designed to translate long range plans into reasonably obtainable objectives and programs as guide for current action. Mid-range objectives were developed to provide guidance on views and recommendations concerning the Joint Strategic Objectives Plan (JSOP) and to provide necessary guides to programming efforts to assure orderly progression of approved programs toward predetermined objectives. Development of mid-range objectives required consideration of broad concepts for general and limited war, employment and deployment of Marine Corps forces, force structures, manning levels, mobilization, reserves, facilities, and research and development programs.

The Marine Corps mid-range plan, called the Marine Corps Objectives Plan (MOP), was prepared for a three-year period (commencing five years after publication) and was designed to support the Joint Strategic Objectives Plan (JSOP).

Basically, this service plan was to provide: (1) an optimum force structure and deployment of Marine Corps forces to support strategy outlined in JSOP, (2) training and support requirements for Marine Corps forces, and (3) mobilization policies and procedures to be implemented by the Marine Corps under the provisions of the Joint Strategic Objectives Plan.



Short-range planning.--The short range plan (single fiscal year) of the Marine Corps in 1960, which supported the Joint Strategic Capabilities Plan (JSOP) of the Joint Chiefs of Staff, was the Marine Corps Capabilities Plan (MCP).

The Joint Strategic Capabilities Plan of the Joint Chiefs included information, strategic and logistic guidance, and tasks which were applicable during the year of the plan. On this, unified and specified commanders and the services prepared their supporting plans.

The Marine Corps Capabilities Plan (MCP), in support of the Joint Strategic Capabilities Plan (JSOP), presented current and anticipated assignments of actual, available Marine Corps forces and resources which were to be used to implement national policy during the period (year) considered under conditions of cold, limited, and general war. It was a working plan, a practical guide for day-to-day or month-to-month operations. It was designed:

1. To provide logistic planning guidance to field commanders, including guidance for mobilization.
2. To initiate planning by field commanders to insure adequate logistic support of Marine forces.
3. To provide for orderly assembly of men and materiel for mobilization from M-day to M + 12 months.
4. To provide one basis for planning for emergency supplemental fund requests.<sup>1</sup>

It is to be noted that this latter purpose is the first mention of "funds" in the planning process of 1960. Although dollars are necessarily implied in all the plans, they are not specifically mentioned in the official directive until consideration is given to the single-year, short-range plan.

---

<sup>1</sup>Ibid., p. 5-2.



Even without consideration of dollars or funding, it is necessary that plans be translated into programs in order that objectives may be achieved. The programs to which Marine Corps planning in 1960 related were internal functional programs peculiar to the Marine Corps and used for internal management purposes. These internal management-oriented programs formed the framework of Marine Corps programming.

Marine Corps programs, 1960.--The purpose of programming was to set forth an orderly plan of administrative action to be followed to enable the Marine Corps to carry out its missions. Programming was designed to "span the gap between current capabilities and intermediate objectives."<sup>1</sup> The programming process simply interrelated approved programs to each other and to the planning process, on a broader base and in a more definitive manner:

The program process is nothing more than the determination of requirements for personnel, equipment and supplies, facilities, or services, by specific quantities, for<sup>2</sup>specific periods of time, or at specific times.

All major administrative activities of the Marine Corps were grouped with related or allied functions included in the same major program. The preparation and use of functionally categorized Marine Corps programs, eight in number, included three elements: program development, program execution, and program

---

<sup>1</sup>Ibid., p. 6-3.

<sup>2</sup>Bigger, op. cit., p. 41.





review. Each program was further divided into sub-programs which were managed similarly to the major programs.

The Troop and Organization Program was the basic program of the Marine Corps. It included elements of both the Regular and Reserve Establishments. This program set forth the present and future organization and structure of the Marine Corps; the remaining seven programs were derived from it. Figure 2 lists the programs, their sub-programs and the staff who were assigned responsibility for them. The Chief of Staff of the Marine Corps, assisted by the Deputy Chief of Staff (Plans) and the Deputy Chief of Staff (Research and Development), directed and coordinated the overall development, execution, review, and analysis of all Marine Corps programs.

Responsibilities for programming.--Specific responsibilities were assigned to various Headquarters, Marine Corps (HQMC) staff officers to insure efficient, economical, and balanced support of Marine Corps forces from their respective program areas.

The Deputy Chief of Staff (Plans) approved or secured approval for program objectives and time schedules, promulgated program documents, and integrated the required review and analysis of programs. Planning and programming for research and development (R&D), both operational R&D and materiel R&D programs, were the responsibility of the Deputy Chief of Staff (Research and Development). The Director of Aviation was responsible directly to the Commandant for coordination of aviation plans and the



<u>PROGRAMS</u>	<u>Coordinator</u>	<u>Title</u>	<u>SUB-PROGRAMS</u> <u>Administrator</u>
Troop and Organization	G-3	Ground Troops (-Res) Ground Res Troops Aviation Troops (-Res) Aviation Res Troops	G-3 DirRes Dir Avn Dir Res
Operational Research & Development	G-3	Personnel Intelligence Ground Operations Aviation Operations Logistics	G-1 G-2 G-3 DirAvn G-4
Materiel Research & Development	G-4	Ground Materiel Aviation Materiel	G-4 DirAvn
Manpower	G-1	Active Duty Mil Pers Reserve Personnel Civilian Personnel	G-1 DirRes DirAdmin
Training	G-3	Unit Training & Individual Training Special & Misc. Trng. Reserve Training Aviation Training	G-3 G-3 DirRes DirAvn
Installations	G-4	Ground Installations MCRes Installations Aviation Installations	QMG DirRes DirAvn
Materiel	G-4	Industrial Mobilization Procurement Supply Distribution and Maintenance Aviation Materiel	QMG QMG QMG DirAvn
Aviation	DirAvn	All Aviation Matters	DirAvn

Source: Adapted from MCO P-3121.1.

Figure 2.--Programs, Sub-programs, Coordinators,  
and Administrators of Marine Corps Programs, 1960.



Aviation Program. Reserve plans and policies were coordinated by the Director of Reserve. The Assistant Chief of Staff (G-2) was responsible for integration of intelligence plans and policies into all appropriate programs.

The Fiscal Director had many and varied responsibilities related to program performance. These included:

1. Insuring, along with Program Coordinators, that programs were economically, yet efficiently, implemented.
2. Reviewing and analyzing program performance in light of the CMC financial plan and of projected financial implications.
3. Projecting availability of funds to attain program objectives.
4. Determining areas where financial reprogramming was appropriate or required.
5. Making recommendations on funding and budgeting.
6. Insuring that administration of Marine Corps programs and appropriations complied with law and the Commandant's financial plan for operations.
7. Advising the Deputy Chief of Staff (Plans) and Program Coordinators of impending changes in the Commandant's financial plan.<sup>1</sup>

Each Program Coordinator (see Figure 2) was responsible for overall coordination of development, execution, review and

---

<sup>1</sup>MCO P-3121.1, passim.





analysis of his respective program and assigned sub-programs. Each coordinator was required to develop program objectives, recommend priorities for segments of the programs, and prepare program documents for approval.

Sub-program administrators managed their assigned sub-programs, determined its requirements, recommended annual revisions, and submitted recommendations for accomplishment of fiscal-year increments of their respective sub-programs.

Program development, 1960.--Program development involved the determination of Marine Corps objectives, their translation into program objectives, and the preparation of appropriate program documents to define implementing procedures. Program documents prescribed the implementing policies and selected courses of action over the mid-range period. These policies and courses of action were generally in terms of intermediate and final objectives.

Wherever practical, quantitative statements expressing objectives were desired in the program documents; the policy statements normally reflected priorities. Program documents were also designed to show relationships of programs to budget project(s).

Basically, the program documents served as a basis for budget preparation, a point of departure for scheduling, and as a yardstick for measuring progress. These program documents concerned mid-range programs which were based primarily on Marine



Corps Mid-Range Objectives; thus, a program document published in late 1960 (Fiscal Year 61) would cover the three years following the next fiscal year (FY 62), or Fiscal Years 63, 64, and 65, plus three years of the mid-range planning period--FY 66, 67, and 68. Six budget years, or annual "slices," were included in each program document. Annual programs were derived from the mid-range programs to cover the increment falling within the next fiscal year.

Programming and budget formulation, 1960.--Since funds were budgeted and accounted for by appropriation accounts, each program was associated with one or more appropriations which were managed by appropriation sponsors. Each appropriation sponsor had primary responsibility for a given Marine Corps appropriation. They monitored preparation of appropriation estimates to insure inclusion of requirements for approved programs and associated sub-programs. In order to alter or modify approved programs, appropriation sponsors required the concurrence of the respective Program Coordinator and of the Fiscal Director. No claim was made that programming and budgeting were or should be "integrated" but only that they were "reasonably in alignment with each other."<sup>1</sup>

Budgeting action played a limited part in the early phases of program development but assumed greater importance as the fiscal year for the "program slice" drew nearer. The whole cycle was geared to a specific fiscal year as shown in Figure 3.

---

<sup>1</sup>Ibid., p. 6-13.



PERFORMANCE

::

PLANNING AND PROGRAMMING

APPRAISAL

OBJECTIVES

EXECUTION

OF

AUTHORIZED INCREMENT

OF

PAST YEAR

PROGRAM

SHORT RANGE  
PLANSPROGRAMS  
BUDGET ESTIMATES  
APPROPRIATIONS

FISCAL YEAR 19x1

FISCAL YEAR 19x2

Figure 3.--Relationships between objectives, plans, programs, and budgets, 1960.





Marine Corps appropriations were involved in program funding as were some twenty-five other Department of the Navy and Department of Defense appropriations. Programs were required to reflect Marine Corps total requirements for all appropriations involved in order to provide adequate justification for requests.

After "costing" by appropriation sponsors, the program developed by a Program Coordinator was transmitted to the Fiscal Director for consolidation with other programs. After approval by the Commandant of the Marine Corps, the data (costs and estimates) were forwarded for inclusion in appropriate budget estimates.

Program execution and program changes.--Scheduling for program execution played a major role in programming. In itself, scheduling was not considered program execution, but as a means of translating programs into actual operations.

Program execution included actual operations as well as execution of prepared plans; thus feedback was generated during program execution. Control of program execution relied on this feedback generated by inspection procedures, the reporting and accounting system, funding procedures (adjustments), and on basic review and analysis procedures.

Changes to program documents for mid-range programs were considered as major reprogramming efforts, and were generally but once-a-year reviews. Short range program documents--single year program increments--were changed with greater frequency, usually as a result of changed annual objectives, resource availability, rate of operations, or reduced appropriations.



The annual budget was to be an expression of the annual operating costs of all programs in terms of dollars. Revision of programs necessitated by budget decisions was a process of making choices between competing programs and objectives.<sup>1</sup> Unresolved differences between Program Coordinators were presented--via the Fiscal Director for financial implications--to the Deputy Chief of Staff (Plans) and generally resolved at that level. If necessary, differences were resolved by the Commandant.

Program review and analysis, 1960.--All programs were reviewed and analyzed on a continuing basis by Program Coordinators and Sub-Program Administrators. Such review and analysis was designed to measure progress, isolate problems, report deficiencies, recommend revision, and identify any imbalance within or among programs.

Formal review and analysis was kept as simple as possible. No formal techniques were prescribed nor were periodic reports apparently required except as a special requirement arose. Each Program Coordinator was to design methods of review and analysis which were tailored to his own program and was to draw information from Sub-Program Administrators and cognizant staff agencies, as required, to support his program.

Annual (short range) programs, 1960.--The annual programs set forth the detailed activities of each of the eight programs

---

<sup>1</sup>Ibid., p. 6-17.



for the fiscal or budget year, were designed to facilitate development of budget estimates to support them, and were referred to as Marine Corps Annual Program Objectives. Annual Program Objectives were used in budget preparation and justification, as well as for a time unit of measure-of-progress toward mid-range objectives.

They served as the point of primary contact between plans and budget estimates. These Annual Program Objectives had to be related to the basic programs and to show current requirements in light of past accomplishments and future needs. The Annual Program Objectives were designed to show a step-by-step relationship with objectives of Joint Chiefs of Staff planning, since they derived from a one-year slice of the Mid-Range Program Document, which in turn was tied to mid-range planning.

Three revisions to the Annual Program Documents (Program Objectives) were generally necessary: (1) after budget review and mark-up at the Department of the Navy; (2) after budget review and mark-up at the Department of Defense; and (3) after formal action on appropriations by the Congress.

The state of the art, 1960.--This was planning and programming of the Marine Corps in 1960 as reflected by official directives of that time. Planning was designed to support the Joint Chiefs of Staff Joint Program for Planning, and reached forward some twelve years. Programming was concerned with "spanning the gap between current capabilities and intermediate





objectives," and reached forward some seven years.

Chapter V examines certain impacts and effects on Marine Corps planning and programming resulting from the Department of Defense Program System introduced in 1961.



## CHAPTER V

### MARINE CORPS EXPERIENCE WITH THE DEPARTMENT OF DEFENSE PROGRAM SYSTEM, 1961-1965

Management review studies done by the Department of the Navy in 1962 tended to show that the Marine Corps had less difficulty in converting (responding) to the Department of Defense program system than did the other services.<sup>1</sup> These studies of planning and programming functions were conducted by the Planning, Programming, Budgeting, and Appraisal Study Group as a part of the overall management study commonly referred to as the "Dillon Board."<sup>2</sup>

Several reasons explain the Marine Corps' success in responding to the program system: (1) its small size relative to other services offered certain advantages, e.g., it had fewer

---

<sup>1</sup>Interview with Mr. E. F. Tabor, Head, Audits and Reports Section, Analysis and Review Branch, Fiscal Division, Headquarters, Marine Corps, Washington, D. C., February 18, 1965.

<sup>2</sup>Project director for these studies was Mr. John H. Dillon, Administrative Assistant to the Secretary of the Navy. Proof copies of the studies were published as "Individual Studies Conducted as a Part of the Review of Management of the Department of the Navy," Department of the Navy, Washington, D. C., December 15, 1962. The study of planning, programming, budgeting, and appraising, published as Study 2, Volume I of the Dillon Board studies, will be cited hereafter as "PPBA Study."



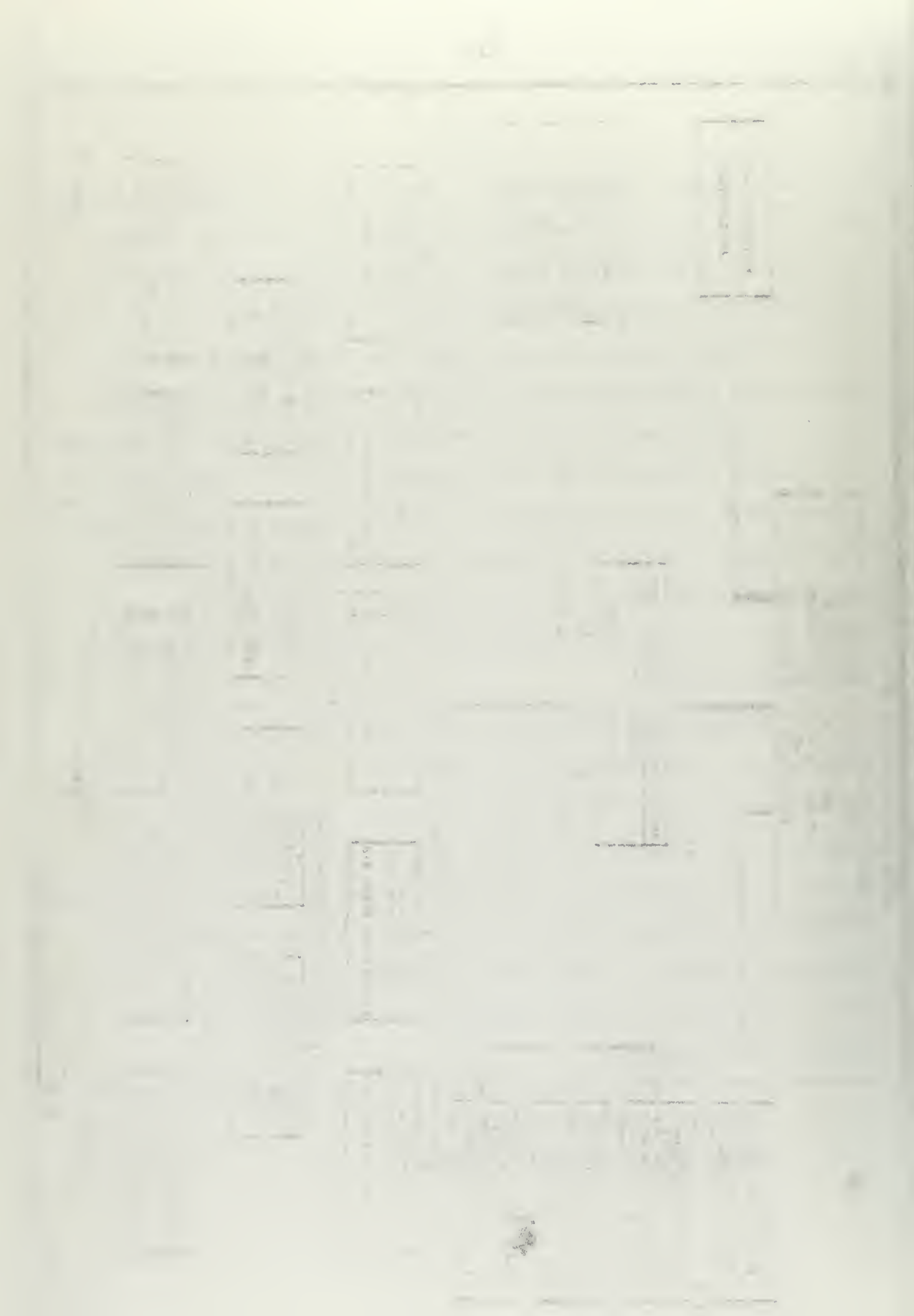
program elements; (2) centralized control and direction of Marine Corps inputs allowed more direct response; and (3) the Marine Corps had a good program system of its own in effect when the Department of Defense program system was introduced.<sup>1</sup> A finding of the Dillon management study group was that "the planning and programming office currently operating in HqMC [Headquarters, Marine Corps] appears to meet all Marine Corps needs."<sup>2</sup> However, this latter statement was made in 1962--a year or more after the introduction of the Department of Defense program system. This chapter will examine the revisions and changes in planning, programming, and related areas required by the Marine Corps to arrive at a position of "meeting all its needs" in relation to the program system.

General considerations.--The introduction of the Department of Defense program system was the major reason for the restructuring of the Headquarters, Marine Corps, organization for planning and programming in May, 1962. At that time, the overall Marine Corps planning and programming effort was brought together in the newly created office of the Deputy Chief of Staff for Plans and Programs. This office is responsible directly to the Chief of Staff and to the Commandant of the Marine Corps as indicated in Figure 4.

---

<sup>1</sup>Tabor interview, loc. cit.

<sup>2</sup>PPBA Study, op. cit., Part II, p. 5.





# HEADQUARTERS UNITED STATES MARINE CORPS

IMMEDIATE CHIEF OF THE COMMISSION  
 COMMANDANT OF THE MARINE CORPS  
 MILITARY SECRETARY TO THE COMMISSION  
 AIDES DE CAMP  
 SERGEANT MAJOR OF THE MARINE CORPS

OFFICE OF THE  
 ASSISTANT COMMISSIONER  
 OF THE MARINE CORPS

OFFICE OF THE  
 DEPUTY CHIEF OF STAFF  
 (PLANS AND PROGRAMS)

OFFICE OF THE DEPUTY CHIEF  
 OF STAFF (PERSONNEL)  
 (PLANS AND PROGRAMS)

OFFICE OF THE DEPUTY  
 CHIEF OF STAFF (AIR)  
 (PLANS AND PROGRAMS)

RAID  
 AND CC

STAFF ASSISTANTS  
 LEGISLATIVE ASSISTANT  
 DIRECTOR OF THE MARINE  
 STAFF LEGAL OFFICE  
 STAFF CHIEF OF STAFF  
 COORDINATOR FOR THE COMMISSION  
 OF THE MARINE CORPS

IMMEDIATE OFFICE OF THE CHIEF  
 SECRETARY OF THE COMMISSION

G-1 DIVISION  
 ASST CHIEF OF STAFF, G-1

G-2 DIVISION  
 ASST CHIEF OF STAFF, G-2

G-3 DIVISION  
 ASST CHIEF OF STAFF, G-3

G-4 DIVISION  
 ASST CHIEF OF STAFF, G-4

FISCAL DIVISION  
 FISCAL DIRECTOR

PERSONNEL  
 DIRECTOR OF PERSONNEL

DIVISION OF PERSONNEL  
 DIRECTOR, MARINE CORPS RESERVE

ADMINISTRATIVE  
 DIRECTOR, MARINE CORPS

ADMINISTRATIVE  
 DIRECTOR, MARINE CORPS

POLICY ANALYSIS DIVISION  
 CHIEF, ANALYSIS DIVISION

DIVISION OF INFORMATION  
 DIRECTOR OF INFORMATION

INSPECTION DIVISION  
 INSPECTOR GENERAL

PROPERTY DIVISION  
 DIRECTOR, PROPERTY DIVISION

PROPERTY DIVISION  
 DIRECTOR, PROPERTY DIVISION

James M. Brewster  
 Chief of the Marine Corps

44



The old office of Deputy Chief of Staff (Plans) was abolished and its functions and responsibilities were incorporated into the expanded structure of the office of Deputy Chief of Staff (Plans and Programs). A programs office, under the Assistant Deputy Chief of Staff (Programs), was created to direct and monitor both internal programming and Marine Corps participation in the Department of Defense program effort.

The Marine Corps Planning and Programming Committee membership was changed to reflect the organizational changes made in Headquarters, Marine Corps. Members of the current committee are:

Deputy Chief of Staff (Plans and Programs)--Chairman

Deputy Chief of Staff (Research, Development, and Studies)

Deputy Chief of Staff (Air)

Assistant Chief of Staff, G-1

Assistant Chief of Staff, G-2

Assistant Chief of Staff, G-3

Assistant Chief of Staff, G-4

Director, Marine Corps Reserve

Fiscal Director of the Marine Corps

Quartermaster General of the Marine Corps

Data Systems Officer of the Marine Corps (for data processing matters only).

Representative, Coordinator, Marine Corps Landing Force Development Activities (Associate Member).



Personnel requirements to support Marine Corps planning and programming since the introduction of the Department of Defense program system have increased substantially.<sup>1</sup> Programming duties are authorized as full-time jobs for one general officer (Brigadier General, Deputy Chief of Staff (Programs)) and six field-grade officers (two Colonels, four Lieutenant Colonels) in the Office of the Deputy Chief of Staff (Programs) and for program representatives in the Office of the Secretary of Defense (Colonel), Office of Program Appraisal, Department of the Navy (Colonel), the Navy's Program Information Center (Lieutenant Colonel), and in the Navy Management Information Center (Colonel).<sup>2</sup> In addition, many Headquarters, Marine Corps, staff officers devote considerable time to planning and programming functions in their jobs as program coordinators or appropriation sponsors.<sup>3</sup> It appears safe to say that no office having planning or programming

---

<sup>1</sup>Interview with Lieutenant Colonel R. L. Barrett, Office of the Assistant Deputy Chief of Staff (Programs), Headquarters, Marine Corps, Washington, D. C., March 4, 1965. The contributions of Lieutenant Colonel Barrett to this study were especially valuable because of his experience with the program system and his patience in answering many inquiries over a six-month period.

<sup>2</sup>Ibid. These billets were created as a result of the Department of Defense program system. Billets for planning officers could not be attributed directly to the Department of Defense system.

<sup>3</sup>No effort was made to identify all officers having planning or programming duties in the Marine Corps, nor to relate all personnel increases that occurred to the program system of the Department of Defense.





duties (both before and after 1961) has been able to reduce its efforts or personnel staffing requirements as a result of the Department of Defense program system.

The biggest obstacle encountered by the Marine Corps in responding to the Department of Defense program system was this requirement for greater numbers of officers to participate full-time in the functions of planning and programming at Headquarters, Marine Corps. The "across-the-board" reporting and data requirements of the Office of the Secretary of Defense imposed a "very real initial burden" on a headquarters staff that was already "lean" of senior officers in comparison to other service headquarters.<sup>1</sup>

The personnel problem was not only quantitative; it was qualitative as well. One officer expressed this qualitative requirement substantially as follows:

This way of looking at decisions, and so forth, has really escalated education requirements of those who are to work with it. Many of us have out-of-date educations from before or during World War II; all this is very foreign to us. It all goes back to a people problem revolving around an inheritance of tradition and old ways of doing things. It is difficult to accept, to understand, or to promote new ideas. . . . One can speak only in the most laudable terms of the program system when you reckon with this inheritance and the people who have literally had to learn all over again to make it work.<sup>2</sup>

---

<sup>1</sup>Barrett interview, loc. cit. Reporting requirements laid upon Defense agencies "across-the-board," with "little consideration for discretion or for the burden on reporting units," was also criticized by Mr. Daniel Borth in his article, "Dynamic Accounting for Defense," The Federal Accountant, September, 1963, pp. 84-92.

<sup>2</sup>Volkert interview, loc. cit. The liberty of "quoting" Lieutenant Colonel Volkert at some length was taken to preserve his particular insight to this problem.



Planning and the program approach.---The Marine Corps

planning and programming system has been redesigned to accommodate "to the maximum extent possible" the techniques, terminology, and formats of the Joint Chiefs of Staff, Department of Defense, and Department of the Navy planning and programming systems.<sup>1</sup> Since 1962, all planning and programming within the Headquarters has been coordinated, if not actually accomplished, by the office of the Deputy Chief of Staff (Plans and Programs). Early in 1965, authorization was received by the Marine Corps to make this post a three-star (Lieutenant General) billet, one of six in the Marine Corps. Thus planning and programming are now being directed and controlled at the highest levels of the Marine Corps.

Internal planning of the Marine Corps and participation in or contribution to Department of the Navy plans is still considered as service planning of a unilateral nature. A distinction is made in the new planning and programming manual between planning for Marine Corps commands under the direct military command of the Commandant of the Marine Corps and for those in the operational chain of command of unified and specified commands.<sup>2</sup> Those commands directly under the Commandant "are responsive to JCS plans

---

<sup>1</sup>U. S. Marine Corps, Marine Corps Manual for Planning and Programming, Headquarters Order P-3121.2 (Headquarters, U. S. Marine Corps, Washington, D. C., 29 January 1965), p. 1-1. (Cited hereafter as HQO P-3121.2).

<sup>2</sup>Ibid., p. 5-7. This chain of command extends from the President, to the Secretary of Defense through the Joint Chiefs of Staff to the Commanders of the unified and specified commands.





through Marine Corps Service plans." Those Marine Corps units in unified and specified commands participate in joint planning directly through their appropriate chain of command and respond in this manner to Joint Chiefs of Staff Plans.<sup>1</sup>

Marine Corps long range planning, 1965.--The time frame of long range planning has been pushed forward and stretched out over a longer period than the planning period of 1960, which was eight-to-twelve years hence. The Marine Corps Long Range Plan (MLRP) presently proceeds from a "basis of appropriate studies . . . to provide an appraisal of the strategic and technological environment envisaged for the long range time period 10 to 20 years in the future."<sup>2</sup> It does not carry a specific year-to-year designation, but will be updated as required.

Figure 5 illustrates the relationship of the Marine Corps Long Range Plan (MLRP) to other planning and programming activities.

Mid-range planning changes.--The Marine Corps Mid-Range Objectives Plan (MMROP) replaced the Marine Corps Objectives Plan (MOP) because the latter did not provide adequate guidance of sufficient detail to meet new program requirements.<sup>3</sup>

---

<sup>1</sup>HQO P-3121.2, op. cit., p. 5-7. Frequent use was made of this order in writing this chapter. No further footnotes will identify such material except when quoting directly.

<sup>2</sup>HQO P-3121.2, p. 5-7.

<sup>3</sup>The old Objectives Plan covered only a three-year period, commencing five years after publication, and was stated in broad, generalized terms.





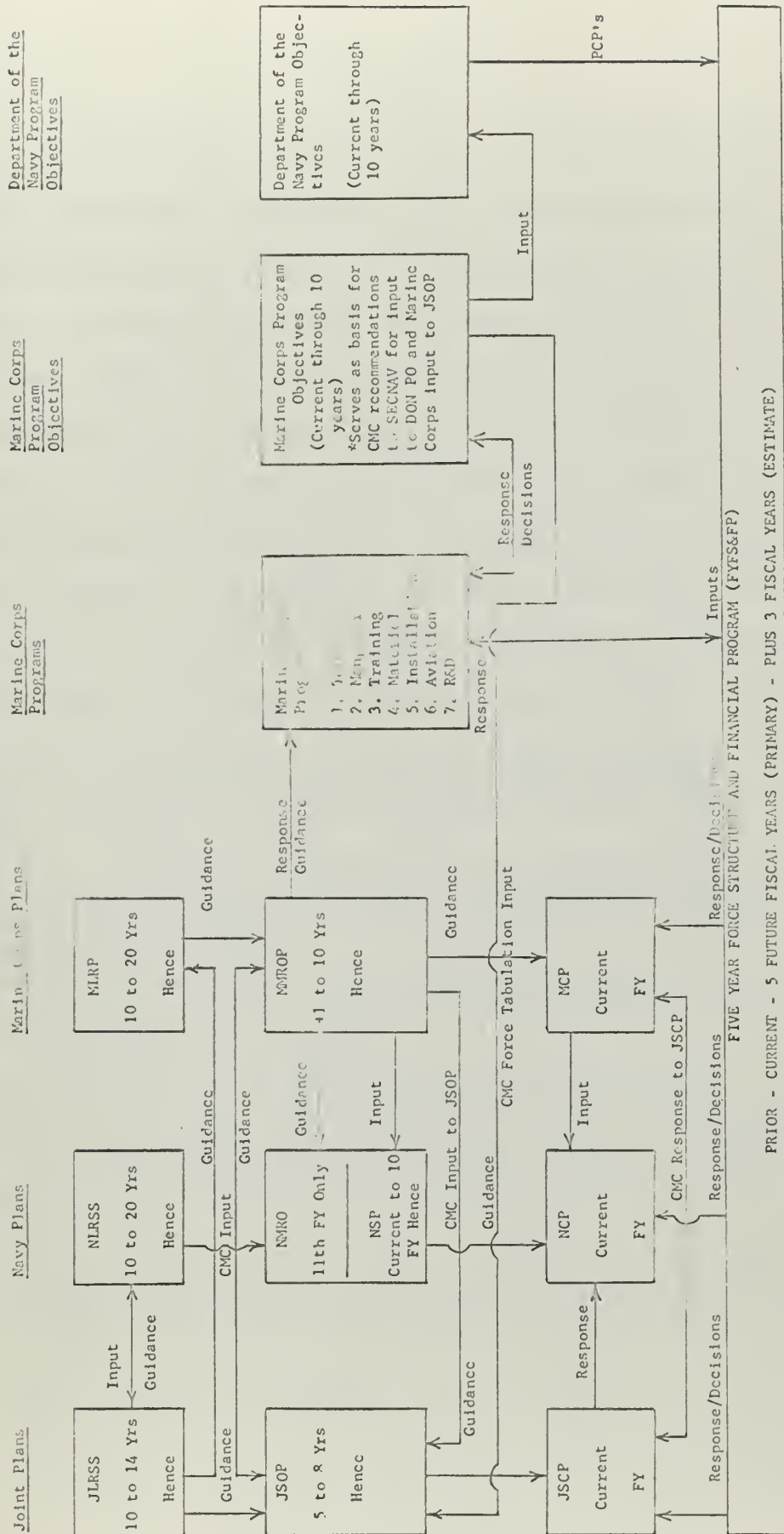


Figure 5



The new plan sets forth total Marine Corps requirements to accomplish objectives approved by the Commandant and provides the basic guidance for all Marine Corps programming effort.<sup>1</sup>

Objectives of the Marine Corps Mid-Range Objective Plan (MMROP) also furnish inputs to: (1) mid-range planning of the Chief of Naval Operations, as contained in the Navy Mid-Range Objectives Plan (NMR0), (2) the Navy Support Plan (NSP), and (3) the Joint Strategic Objectives Plan (JSOP), developed by the Joint Chiefs.

To provide a foundation for the development of Marine Corps programs, as well as inputs for the plans mentioned above, the Marine Corps Mid-Range Objectives Plan (MMROP) will contain:<sup>2</sup>

(1) An appraisal of the strategic situation relative to the roles and mission of the Marine Corps, forecasted to prevail during the mid-range period.

(2) A concept of Marine Corps operations for cold, limited and general war, including projected assignments of forces and their deployments during the mid-range period.

(3) Force structure and organizational objective concepts of the Marine Corps to be attained by the end of the mid-range period.

(4) Marine Corps military objectives (requirements) for the end mid-range period, to include: manpower, material, installations, aviation, training, reserves, mobilization and research and development.

(5) Planning factors, criteria, standards and formulas for computing requirements and readiness.

---

<sup>1</sup>Data concerning programs for inclusion in the Marine Corps Mid-Range Objectives Plan (MMROP) are displayed in program element format.

<sup>2</sup>HQO P-3121.2, op. cit., p. 5-9, 5-10.



Staff review and analysis of the Marine Corps Mid-Range Plan (MMROP) must be continuous since it is a "dynamic plan continuously effective for the future 9 years beginning at the end of the current FY [fiscal year]."<sup>1</sup> Figure 5 shows the relationship of mid-range planning (MMROP) to other plans and programs.

Short range planning, 1965.--The Marine Corps Capabilities Plan (MCP) has been retained as the basic short range planning document, but its content and constructive time frame has been extended. This plan now covers Marine Corps activities for the next fiscal year (1 July-30 June) and the remainder of this fiscal year (today to 30 June).

The Marine Corps Capabilities Plan (MCP) outlines the resources<sup>2</sup> to be provided to accomplish training, maintenance, equipment and employment objectives in the ensuing fiscal year. It reflects the decisions of the planning, programming, and budgeting process, including effects of decisions made outside the Marine Corps.

As a service plan, the Marine Corps Capabilities Plan (MCP) is prepared annually in support of the Joint Strategic Capabilities Plan (JSCP) of the Joint Chiefs and complements the Navy short range plan, the Navy Capabilities Plan (NCP). It is quite comprehensive, containing within it personnel, logistic,

---

<sup>1</sup>Ibid., p. 5-10.

<sup>2</sup>"Dollars, although not considered resources in themselves, provide a convenient method of comparing dissimilar resource categories . . . ." HQO P-3121.2, op. cit., p. 1-3.





training, deployment, and mobilization planning. The relationship of the Marine Corps Capabilities Plan (MCP) to other planning and programming documents is also shown in Figure 5.

Joint long range planning changes.--Important changes have been made to joint planning emanating from the Joint Chiefs of Staff.<sup>1</sup> Chief among these changes is the replacing of the Joint Long Range Strategic Estimate (JLRSE) with a Joint Long Range Strategic Study (JLRSS) which is prepared by the Joint Staff and presented annually to the Joint Chiefs of Staff for review and approval by 1 July (commencement of new fiscal year).

This Joint Long Range Strategic Study (JLRSS) is a broad strategic appraisal which provides concepts, trends, and strategic guidance to assist in preparation of integrated planning within the Department of Defense. It covers a four-year period, commencing ten years hence. It thus provides the basis for long range service plans, such as the Marine Corps Long Range Plan (MLRP), and for similar studies by individual services, such as the Navy Long Range Strategic Study (NLRSS) which provides guidance for long range planning in naval warfare.

Joint mid-range planning changes.--The mid-range planning period for Joint planning is now defined as beginning five years subsequent to the fiscal year of approval and extending five years thereafter. The Joint Strategic Objectives Plan (JSOP) remains

---

<sup>1</sup>These changes are related to, but could not be attributed directly to, the introduction and operation of the Department of Defense program system. They are considered here because Marine Corps planning is responsive to Joint planning guidance.



the Joint mid-range plan, but has been adapted to provide the Secretary of Defense with military advice for development of the annual military budget (within its time frame), and with a reassessment of military aspects of the previously approved annual increment of the Department of Defense Five Year Force Structure and Financial Program.<sup>1</sup>

While the Joint long range effort is an appraisal, the mid-range plan (JSOP) provides planning guidance for development of service plans concerning logistics, force levels, nuclear weapons planning and damage considerations, communications, command and control systems, as well as "development and employment of space systems in support of military objectives."<sup>2</sup>

Joint short range planning, 1965.--The Joint short range period still extends from 1 July for a period of one year, and the short range plan, the Joint Strategic Capabilities Plan (JSOP), fulfills substantially its historical function of translating national objectives and policies into terms of military objectives.

Greater stress on service coordination is evident in the Joint Strategic Capabilities Plan (JSOP), and the instructions which accompany it, than was evident in 1960 and earlier. Such coordination has become increasingly important as planning has

---

<sup>1</sup>The service inputs to the Joint Strategic Objectives Plan (JSOP) were "costed out" for fiscal years 65 and 66 by the individual services to provide such a capability. The majority of cost computations for the Marine Corps input were done in the Analysis and Review Section, Fiscal Division, Headquarters, Marine Corps. (Tabor interview, loc. cit.)

<sup>2</sup>HQO P-3121.2, op. cit., p. 3-4.





become more concurrent and continuous during the period 1961-1965. This concurrent, continuous nature of Joint, Navy, and Marine Corps planning can be seen in the relationships shown in Figure 5. It can be noted, also, that plans now receive inputs from the Five Year Force Structure and Financial Program in the form of decisions made by the Secretary of Defense.

This feedback to the planning process results from the translation of previous plans into effective programs for accomplishing the planned objectives. This translation of Joint, Navy, and Marine Corps plans into formats compatible with Marine Corps internal programs and with the Department of Defense Five Year Force Structure and Financial Program has become the primary function of Marine Corps programming in 1965.

Impacts upon Marine Corps programming.--The program system of the Department of Defense has caused Marine Corps programming to be reoriented and to assume several simultaneous roles in order to be responsive to both internal and external needs and requirements.

The purpose of programming in 1960 was to provide an orderly plan of administrative action for internal management purposes. Marine Corps programming in 1965 is viewed as "a fundamental function of the staff of the Commandant of the Marine Corps" which translates Marine Corps plans into "detailed schemes of action" which provide "a definitive force structure" and "estimates of the resources required to achieve and maintain such





a force structure."<sup>1</sup> It "incorporates, where practicable, the techniques, procedures, and formats prescribed for the programming systems of the Department of the Navy and the Department of Defense."<sup>2</sup>

Marine Corps programming now stems from the basis of all programming, the Department of Defense Five Year Force Structure and Financial Program.<sup>3</sup> So that the Marine Corps Mid-Range Objectives Plan (MMROP) requirements are reflected in the Five Year Force Structure and Financial Program (FYFS&FP), documentation of program and cost data in each of the seven<sup>4</sup> Marine Corps programs (by program element or materiel item) allows extraction of resource data and associated costs for preparation of Program Change Proposals (PCPs) to adjust the Five Year Force Structure and Financial Program.

Program data in the Marine Corps program documents is henceforth to be arranged sequentially by program element to support two levels of programming:

1. The force structure, research, development and studies effort, and resources authorized by the Secretary of Defense.<sup>5</sup>

<sup>1</sup>Ibid., p. 8-1.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid., p. 8-5.

<sup>4</sup>Marine Corps programs have been reduced from eight to seven since 1960. The Research and Development Program now includes both operational and material research and development. The seven programs are: Troop and Organization, Research and Development, Manpower, Training, Installations, Materiel, and Aviation.

<sup>5</sup>These data represent an expansion of information found in the Department of the Navy Five Year Force Structure and Financial Program and thus represent a Marine Corps Five Year Force Structure and Financial Program.



2. The force structure, research, development and study effort, and resources required to support the true and total requirements as reflected in the Marine Corps Mid-Range Objectives Plan (MMROP).<sup>1</sup>

A description of each current Marine Corps program will serve to show the relationship of the individual program to its internal functions, to Marine Corps plans, and to the Department of Defense Five Year Force Structure and Financial Plan. These relationships are also shown schematically in Figure 5. Current Marine Corps program descriptions are as follows:<sup>2</sup>

#### Troop and Organization Program

The Troop and Organization Program Document encompasses the development, display and management of the total structure of the Marine Corps. It is the culmination of staff examination and development of all elements of Marine Corps structure in detail. This staff effort includes analysis of the MMROP; current force structure; the application of approved amphibious doctrine and tactical concepts to the present and future structure of the total Marine Corps; and the impact of decisions reflected in the Department of Defense FYFS&FP.

Coordinator: Assistant Chief of Staff, G-3.

#### Research, Development and Studies Program

Sets forth the operational requirements and related materiel developments whose achievement will lead to attainment of approved objectives in both organization and combat capability; and outlines the Marine Corps' RD&S effort associated with each program element of the Department of Defense FYFS&FP.

Coordinator: Deputy Chief of Staff (RD&S).

---

<sup>1</sup>HQO P-3121.2, op. cit., p. 8-7. Resource and financial data are arrayed over past, current, and following six fiscal years for a total display of eight years; force structure data and research, development and study effort data extend two additional years.

<sup>2</sup>Description of Marine Corps programs is taken from HQO P-3121.2, op. cit., pp. 8-8 through 8-15.



Manpower Program

This Program Document sets forth the Manpower objectives to support the organization, composition, and operational capability outlined in the T/O Program Document and the manpower strength of the Marine Corps as outlined in the Department of Defense FYFS&FP.

Coordinator: Assistant Chief of Staff, G-1.

Training Program

Includes all activities connected with training military personnel both individually and in units for attainment of skills and unit combat readiness in support of approved objectives in organization and operational capability; and the training which is programmed in the Department of Defense FYFS&FP.

Coordinator: Assistant Chief of Staff, G-3.

Installations Program

The Installations Program Document sets forth the installations and related logistic services of and for the Marine Corps that are required to support the achievement of approved objectives in organization, deployment and operational capability; and those installations and related logistic services that are programmed in the Department of Defense FYFS&FP. The document will display military construction programmed for the prior and current fiscal years, plus the following 9 fiscal years.

Coordinator: Assistant Chief of Staff, G-4.

Materiel Program

The Document is concerned with the establishment, display and management of the materiel and related supply and logistic requirements of the Marine Corps to support the programmed organization, employment and deployment of forces; and those resources that have been programmed in the Department of Defense FYFS&FP.

Coordinator: Assistant Chief of Staff, G-4.







Aviation Program

The Aviation Program Document is concerned with the correlated development, display and management of detailed aviation requirements to meet approved Marine Corps objectives. It includes all aviation data appearing in other Marine Corps Programs. The Aviation Program Document specifically sets forth the organization, research and development, manpower, training, installations and materiel requirements to meet approved objectives of the Marine Corps; and those resources as approved in the Department of Defense FYFS&FP.

Coordinator: Deputy Chief of Staff (Air).

These seven program documents of the Marine Corps are the focal point for: (1) translating Joint, Department of the Navy, and Marine Corps plans into action programs;<sup>1</sup> (2) providing inputs to Department of the Navy (DON) and Department of Defense (DOD) programs; (3) providing internal management guidance and direction;<sup>2</sup> and (4) assisting in annual budget preparation.

To this point, it has been noted that the Department of Defense program system has had considerable impact upon the first

---

<sup>1</sup>Tabor interview, loc. cit.: "All programs in which the Marine Corps participates emanate from CMC /Commandant of the Marine Corps/ approved plans. Without an approved plan, there is no program."

<sup>2</sup>One person interviewed took exception to the internal program management function, calling it more "myth than method" and advancing the following opinion: "It seems self-defeating to attempt to manage by the seven programs when Congress will continue to provide funds only in terms of appropriations. . . . The seven programs may be inter-tangled with, but are not yet interwoven with, the DOD system or our own 'Duke's Mixture' of management approaches." This opinion has merit, but seems to be that of a minority.



three "functions" of Marine Corps planning and programming listed above; remaining to be considered is its effect on the budgeting process.

Budgeting relationships to planning and programming.--An objective of the planning and programming system in the Marine Corps is to "systematically determine and present . . . budgetary statements for the total Marine Corps."<sup>1</sup> The development of the annual budget request has been restructured as a result of the Department of Defense program requirements for it now "must be directly related to what is to be done in the future as reflected in programming documents."<sup>2</sup> Thus budgeting essentially translates program cost data into the appropriations format for the annual budget request:

The portion of the total costs of approved Marine Corps programs required during the budget year equals the Marine Corps budget request for that year, plus those portions of appropriations not sponsored by the Marine Corps, but which support it.<sup>3</sup>

Translation from program to budget is a matter of correlating budget terms with the program language in which Marine Corps programs are developed: "It is first necessary to presume the capability of doing what is programmed and then to analyze it in detail and dollar terms to determine its feasibility within

<sup>1</sup>HQO P-3121.2, op. cit., p. 1-1.

<sup>2</sup>Ibid., p. 1-4.

<sup>3</sup>Ibid.



established parameters and within the time frame specified."<sup>1</sup>

The Department of Defense program system has brought a new philosophy to military budgeting. In some instances, the budget process is still looked upon with annoyance, but no longer can it be considered "an entity unto itself," as expressed by Robert Anthony.<sup>2</sup> The ability to budget cannot be isolated and analyzed as such. In this regard, when the entire planning-programming-budgeting system is looked at as a totality, one can say that the Marine Corps' ability to prepare budget requests--and to justify these requests--has been improved as a result of improved data availability resulting from the system.<sup>3</sup> In addition to assisting in budget preparation per se, the increased data availability has had another significant effect: the Marine Corps now knows itself better than before; particularly it knows its requirements, which can now be communicated in quantitative terms.<sup>4</sup>

This improved ability to communicate requirements has resulted recently in a significant authorized increase of personnel for the Marine Corps, an increase which has been sought for several years. The importance of knowledge of requirements plus an

---

<sup>1</sup>Volkert interview, loc. cit.

<sup>2</sup>Robert N. Anthony, "New Frontiers in Defense Financial Management," XI, The Federal Accountant, June, 1962, p. 24.

<sup>3</sup>Volkert interview, loc. cit.

<sup>4</sup>Every Marine Corps official interviewed responded that this was a major contribution of the program system's detailed data presentations.





increased ability to communicate these requirements was stated by a budget officer in this manner:

We are now, however, in a better position to know what we need and how to justify it than we have ever been. For example, this year we [the Marine Corps] received an increase of some three thousand Marines. We needed them. We needed them last year, too, and the year before that, but we couldn't "prove it" well enough, definitely enough. With experience, we are getting better at that.<sup>1</sup>

Although politics remain important determinants of budgetary action,<sup>2</sup> Marine Corps officers concerned with the budget and program processes are impressed by the rewards of decisions made on the "merits of the proposal" which seems a result of the current planning-programming-budgeting sequence.<sup>3</sup>

The planning, programming, budgeting sequence as addressed by the Marine Corps in 1965 is shown in Figure 6. The traditional "gaps" between planning, programming, and budgeting have been bridged in theory by the Department of Defense programming approach, but some remain in practice. The separation which remains in practice between the processes in the Marine Corps has been attributed to the lack of standardized cost data and cost

---

<sup>1</sup>Volkert interview, loc. cit. This observation supports the tendency (noted in Chapter III) for the program system to drive "requirements" upward.

<sup>2</sup>Full disclosure to Congress and follow-up potential by the Congress seems to be necessarily concomitant with program proposals to the Congress: "Perhaps more persuasive even than our ability to justify is our credibility rating on the Hill. We work hard to, and intend to, maintain this rating, to keep this faith. Without it, we'll be dead, in spite of reams of justification." Volkert interview, loc. cit.

<sup>3</sup>Barrett interview, loc. cit.



# SEQUENCE OF PLANNING AND PROGRAMMING

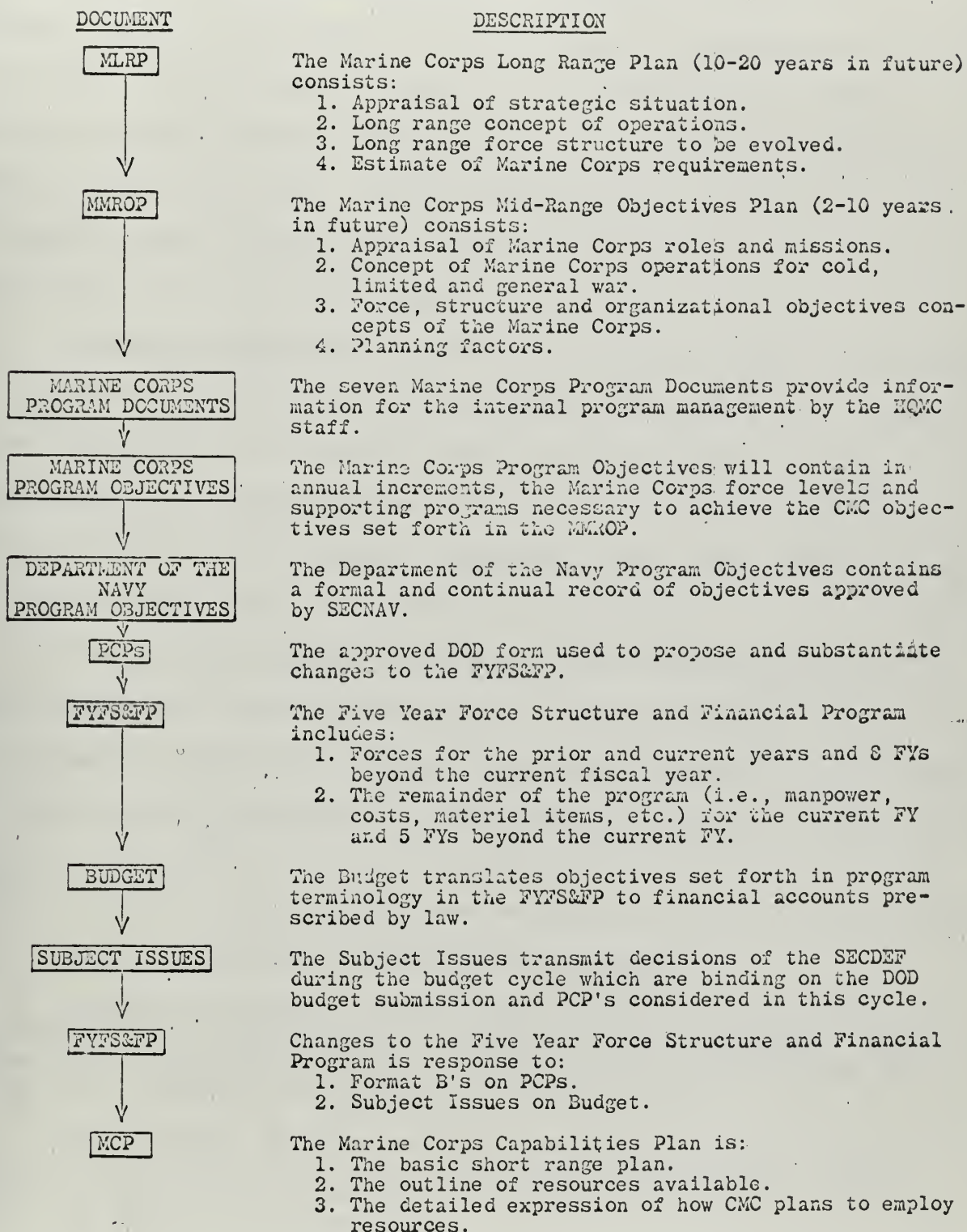


Figure 6 The basic relationships and flow of information in the major documents of the total planning, programming and budgeting process.



relationships between "macroviews of program elements" and "budget dollars allocated" for provisions and maintenance of these elements.<sup>1</sup> In the Marine Corps, as in other services, this problem remains: program decisions are not automatic, equivalent budget dollar decisions. Costing difficulties, which seem to be the cause of the differential, will be considered in the concluding section of this chapter.

Cost consideration.---Cost is the single common denominator that permits "comparison of heterogeneous programs"<sup>2</sup> (or which allows translation of program terms to budget terms). Lack of standardized cost computations, such as could be derived from a valid mathematical cost model, aggravates the translation process. The Marine Corps has no cost model at this time.

The present costing approaches use average costs and linear estimates, which appear adequate for program costing of large elements, but which present difficult problems of assessment when "costing at the margin," as in making incremental changes to program elements.<sup>3</sup>

---

<sup>1</sup>Barrett and Lynch interviews, loc. cit.

<sup>2</sup>Anthony, op. cit., p. 20. The author was addressing his attention to cost-effectiveness studies in this instance. Such studies have not been conducted to date by the Marine Corps but efforts are currently being made in this direction.

<sup>3</sup>The remarks in this section are distillations from many sources. The Barrett and Lynch interviews of September, 1964, opened this area which seems to be a vital one worthy of research in depth by qualified researchers.







Most of the Marine Corps cost data required are available, but are often difficult and time-consuming to recover. A valid cost model, constructed to reflect Marine Corps experience, would be useful for routinizing future response to the programming system. Such a cost model would be helpful in closing the "estimates gap" mentioned earlier.

There are no ready-made cost models directly applicable to cost computations for the Marine Corps; such models must be carefully constructed by technically competent experts, knowledgeable about Marine Corps affairs and experiences. The more thought (not time) that goes into the construction and testing of the models, the more usable will be the results and the less costly will be the necessary revisions.

Rigid standardization of cost models on a Department of Defense-wide basis, or composite models based on different service experiences, does not appear desirable. A need does exist for models of program elements and/or components, which might practicably be standardized to some degree.

Development and use of cost models necessarily require two considerations from the outset: (1) the models should be developed and tested by knowledgeable experts who are aware of the shortcomings and limitations of any model; and (2) as costs per man, per tank, per ship go up or down, the models must be updated (with equal precision as that which went into their development) if such models are to be effectively employed over a period of time.



## CHAPTER VI

### SUMMARY AND CONCLUSIONS

The Department of Defense program system is a centrally controlled management system which uses economic analyses as a decision tool and which is dependent upon the military departments and other Defense agencies for the data on which analyses are made and decisions are based. The basic goal of this analytical method must be to make the data more understandable and useful by significant rearrangement and simplification.

The Five Year Force Structure and Financial Program provides the format by which rearrangement, standardization, and simplification of data inputs take place. Approved Program Change Proposals complement and modify this format as decisions are rendered by the Secretary of Defense concerning forces or program elements.

The program system has improved the decision making bases and has raised the decision power of the Secretary of Defense to a level higher than at any time in the history of the Department of Defense. There seems to be little doubt that the primary unannounced goal of the program system was to concentrate decision authority in the person and office of the Secretary of Defense and that this has been accomplished.



Centralization of authority in the office of the Secretary of Defense, as civilian head of the Armed Forces and Defense agencies, is in keeping with the governmental framework of the nation. Critics of such centralization and concentration of decision power generally attack the quality of the decision rendered rather than the responsibility or right to make a given decision.

It appears from this research that the quality of decisions rendered has been high since the Department of Defense program system was introduced in 1961. It further appears that increased data availability has been a major reason for the quality of decisions during this period.

There seems to be but one universal criteria with which to judge decisions, plans, programs, or budgets: it is that of operational adequacy. Operational adequacy, as a principle, implies the exercise of value judgments in the decision making process. The Department of Defense program approach seeks to limit the number of times and the number of levels at which value judgments are allowed to influence the making of decisions which the Secretary of Defense deems to be of significance to the total defense effort or mission execution of a department or agency. It cannot be stated that decisions are rendered solely on results of cost-effectiveness ratios or on other completely objective criteria.





Regardless of the decision base, there seems to be substantial evidence that the program system has had a beneficial effect upon the planning, programming, and budgeting process of the Marine Corps. The planning and programming structure of the Marine Corps has been rebuilt to accommodate the requirements of the Department of Defense program system and, in the process, has increased its own potential for internal management.

The Marine Corps now has more and better information concerning its resources and its requirements than ever before and is attempting to improve and extend this knowledge and the data base which underlie it. The increased data requirements of the Department of Defense program system prompted and has sustained the Marine Corps search for information concerning its present and future needs and the resources which will be required to meet these needs.

The overall functions of planning, programming, and budgeting within the Marine Corps in 1965 have definite sequential interrelationships and are designed to be performed concurrently and continually. Execution of these interrelated functions will generate and sustain plans, programs, and budgets that are mutually supporting and which are responsive to the internal management needs of the Marine Corps and the requirements of the Joint Chiefs of Staff, the offices of the Secretary of Defense, and other external agencies.



The documents developed through the planning, programming, budgeting functions are designed to share a common stream of data that can be traced from one document to another. Thus the framework for an integrated, one-time entry data system exists in these management areas, but, as of this writing, such integrated processing is not implemented to any appreciable degree. When a truly integrated data system is developed for program data, many of the difficulties now experienced in translation from plans to budgets will be lessened.

The planning, programming, budgeting changes brought about by the Department of Defense program system have been seen to be generally procedural in nature. The identification of these procedural impacts was the basic purpose of this research. In the research for and the writing of this paper, two impacts, not of a procedural nature, were also identified which may have long range significance for the Marine Corps and which appear worthy of exploration through additional research. These impacts are: (1) the requirement imposed upon Marine Corps leaders and planners to look beyond, as well as within, the organizational boundaries of the Marine Corps for the effects of their actions and decisions; and (2) the continuing and increasing need for the development of expertise within specified and specialized areas of Marine Corps management; expertise which is based on both education and experience, neither of which seems to be a direct substitute for the other.



The final conclusion drawn from this research is that the skills and attitudes of the people directly concerned with the program system will determine the success or failure of the system within the Marine Corps and within the Department of Defense more certainly than will the techniques and formats by which it is implemented.





## APPENDIX

### LIST OF PROGRAM ELEMENTS IN DOD FYFS&FP TO WHICH MARINE CORPS RESOURCES ARE CHARGED<sup>1</sup>

<u>Program Element Number</u>	<u>Program/Program Element Title</u>
I	STRATEGIC RETALIATORY FORCES
1 15 05 01 2	<u>Missile Forces, Sea Based</u> <u>Fleet Ballistic Missile System</u>
II	CONTINENTAL AIR AND MISSILE DEFENSE FORCES
	<u>Surveillance and Warning Systems</u>
2 15 25 01 2	Airborne Dew Line Extension
2 40 65 01 2	Headquarters and Command Support, Navy
III	GENERAL PURPOSE FORCES
	<u>Attack Carrier Strike Forces</u>
3 12 05 05 2	OVAN - ENTERPRISE
3 12 05 10 2	CVA - New (FY 63 and Later)
3 12 05 15 2	CVA - FORRESTAL Class
3 12 05 20 2	CVA - MIDWAY Class
3 12 05 25 2	CVA - ESSEX/HANCOCK Class
3 12 10 01 2	Attack Carrier Air Groups

---

<sup>1</sup>HQO P-3121.2.



Program Element NumberProgram/Program Element TitleSurveillance and Ocean Control Forces

3 14 05 01 2

ASW Aircraft Carriers

3 14 10 01 2

Carrier ASW Air Groups

3 14 15 01 2

Submarines

3 14 30 01 2

Patrol Aircraft Squadrons

Amphibious Assault Forces

3 18 05 01 2

Amphibious Assault Forces

Multi-Purpose Combat Forces

3 20 05 01 2

Cruisers

Special Combat Support Forces

3 22 05 01 2

Special Combat Support Forces

Logistic and Operational Support Forces

3 24 25 01 2

Fleet Support Squadrons

Command Communications and Command Support

3 26 15 01 2

Fleet Command Staffs

3 26 20 01 2

Other Operational Staffs

Marine Corps Division/Wing Teams

3 28 05 01 3

Marine Divisions

3 28 10 01 3

Tank Battalions

3 28 15 01 3

Light Anti-Aircraft Missile  
Battalions

3 28 25 01 3

Amphibian Tractor Battalions

3 28 30 01 3

Other Combat Support Forces

3 28 35 01 3

Supporting Bases and Activities



Program Element NumberProgram/Program Element Title

3 28 40 01 3	Marine Aircraft Wings
3 28 40 95 3	Composite Squadrons (VMCJ)
3 28 41 01 3	Marine Corps Air Stations and Facilities
3 28 45 01 3	Headquarters, Fleet Marine Forces <u>Fleet Support Bases, Stations and Activities</u>
3 32 05 01 2	Ship Support
3 32 10 01 2	Aviation Support
3 32 15 01 2	Other

V

## RESERVE AND GUARD FORCES

General Purpose Forces  
 (Marine Corps Division/Wing Team  
 Reserve)

5 10 34 05 3	Divisional Type Units
5 10 34 10 3	Wing and Aviation Support Units
5 10 34 15 3	Other FMF Units MCR

General Support

5 20 10 40 2	NROTC
5 20 14 01 2	Headquarters and Command Support-- Navy Reserve
5 20 16 05 3	Recruit Training, Marine Corps Reserve
5 20 16 10 3	Technical Training, Marine Corps Reserve
5 20 16 15 3	Professional Training, Marine Corps Reserve
5 20 18 01 3	Headquarters and Command Support, Marine Corps Reserve





Program Element NumberProgram/Program Element Title

## VI

## RESEARCH AND DEVELOPMENT

Exploratory Development--Navy

6 22 50 01 3

Marine Corps Ord/Combat Vehicle  
Exploratory Development

6 22 53 01 3

Other Marine Corps Exploratory  
Developments

6 22 98 90 3

Marine Corps Support to AGILE

Engineering Development--Navy

6 42 18 03 3

Other Marine Corps Systems

6 42 18 06 3

Marine Corps Ordnance/Combat  
Vehicle SystemsManagement and Support--Navy

6 52 02 03 2

Facilities &amp; Installation Support

6 52 02 06 2

Pacific Missile Range

6 52 96 90 3

Marine Corps Support to DDC

## VII

## GENERAL SUPPORT

Individual Training and Education--  
Navy

7 04 08 01 2

Flight Training

7 04 10 01 2

Service Academy

7 04 12 01 2

Headquarters and Command Support

Individual Training and Education--  
Marine Corps

7 06 02 01 3

Recruit Training

7 06 04 01 3

Technical Training--Aviation

7 06 05 01 3

Technical Training--Other

7 06 06 01 3

Professional Training

7 06 08 01 3

Flight Training

7 06 12 01 3

Headquarters and Command Support



Program Element NumberProgram/Program Element TitleIntelligence and Security--Navy

7 12 14 01 2

Primary COMINT and ELINT

7 12 18 01 2

Attaches

7 12 20 01 2

Departmental Intelligence  
Activities

7 12 34 01 2

Field Command Intelligence  
Activities

7 12 50 01 2

Counterintelligence & Investiga-  
tive Activities

7 12 93 90 3

Marine Corps Support of NSA

7 12 94 90 3

Marine Corps Support of DIA

Communications--Navy

7 22 02 01 2

Navy Communication System

7 22 95 90 3

Marine Corps Support of DCA

Logistic Support--Navy

7 32 38 01 2

Procurement and Supply Operations

Logistic Support--Marine Corps

7 34 36 01 3

Transportation

7 34 38 01 3

Procurement and Supply Operations

7 34 44 01 3

Material Maintenance

7 34 96 90 3

Marine Corps Support of DSA

Military Family Housing

7 39 09 01 3

Military Family Housing--Marine

Command and General Support--Navy

7 52 60 01 2

Command and Direction

7 52 80 01 2

DEEPFREEZE

7 52 82 01 2

Other Support Activities



Program Element NumberProgram/Program Element TitleCommand and General Support--  
Marine Corps

7 54 60 01 3

Command and Direction

7 54 62 01 3

Recruiting and Examining

7 54 74 01 3

Transients, Patients and Prisoners

7 54 82 01 3

Other Support Activities

National Military Command System  
(NMCA)

7 58 16 01 2

National Emergency Command Post  
Afloat (NECPA)Defense Atomic Support Program--  
Navy

7 64 97 90 3

Marine Corps Support of DASA

OSD Support--Navy

7 74 98 90 3

Marine Corps Support of OSD/JCS





## BIBLIOGRAPHY

### Public Documents

- U. S. Congress, House of Representatives. Committee on Armed Services. Report, Department of Defense Reorganization Act of 1958. 85th Cong., 2d. Sess., 1958, H. R. No. 1765.
- \_\_\_\_\_, House of Representatives. Subcommittee on Department of Defense Appropriations, Committee on Appropriations. Hearings, Department of Defense Appropriations for 1963. 87th Cong., 2d. Sess., 1962.
- \_\_\_\_\_, Senate. Committee on Government Operations. Financial Management in the Federal Government. Senate Document No. 11. 87th Cong., 1st Sess., 1961.
- \_\_\_\_\_, Senate. Subcommittee on National Policy Machinery, Committee on Government Operations. Hearings, Organizing for National Security: The Budget and the Policy Process. 87th Cong., 1st Sess., 1961, Part VIII.
- U. S. President. Message Accompanying Reorganization Plan No. 6 of 1953, Relating to the Department of Defense. 83d Cong., 1st Sess., H. D. 136, 1953.
- U. S. Bureau of the Budget. The Budget of the United States Government, Department of Defense Extract, Fiscal Year Ending June 30, 1965.
- \_\_\_\_\_. The Budget in Brief, Fiscal Year 1965.
- U. S. Department of Defense. Joint Chiefs of Staff. Joint Program for Planning. Joint Chiefs of Staff Secretariat, Washington, D. C., July 27, 1955.
- U. S. Department of the Navy. Financial Management in the Navy. NAVPERS 10792-A. Bureau of Naval Personnel, Washington, D. C., 1962.
- \_\_\_\_\_. Program Change Control System in the Department of the Navy. NAVEXOS P-2416. Office of the Comptroller, Washington, D. C., August, 1962.



U. S. Marine Corps. A Guidebook for Commanders: Supply, Maintenance, Fiscal Matters. NAVMO 2599-A04. Headquarters, U. S. Marine Corps, Washington, D. C., 4 February 1964.

\_\_\_\_\_. U. S. Marine Corps Planning and Programming Manual. NAVMO P-2518. Headquarters, U. S. Marine Corps, Washington, D. C., 24 April 1959.

\_\_\_\_\_. Manual for Planning and Programming. Marine Corps Order P-3121.1A, Headquarters, U. S. Marine Corps, Washington, D. C., 11 September 1962.

\_\_\_\_\_. Marine Corps Manual for Planning and Programming. Headquarters Order P-3121.2. Headquarters, U. S. Marine Corps, Washington, D. C., 29 January 1965.

U. S. Statutes at Large. LXI, 253, Sections 205-208. 1947.

#### Books

Albers, Henry H. Organized Executive Action. New York: John Wiley and Sons, Inc., 1961.

Burkhead, Jesse. Government Budgeting. New York: John Wiley and Sons, Inc., 1956.

Drucker, Peter F. Managing for Results. New York: Harper and Row, 1964.

Gavin, James M. War and Peace in the Space Age. New York: Harper and Brothers, 1958.

Gulick, Luther. Administrative Reflections from World War II. Birmingham: University of Alabama, 1948.

Hitch, Charles J. and McKean, Roland N. The Economics of Defense in the Nuclear Age. Cambridge: Harvard University Press, 1960.

Kahn, Herman. On Thermonuclear War. Princeton: Princeton University Press, 1960.

Kintner, William R. Forging a New Sword. New York: Harper and Brothers, 1958.

Mee, John F. Management Thought in a Dynamic Economy. New York: New York University Press, 1963.

Mosher, Frederick C. Program Budgeting: Theory and Practice. Chicago: Public Administration Service, 1954.



Ries, John C. The Management of Defense. Baltimore: Johns Hopkins Press, 1964.

Smithies, Arthur. The Budgetary Process in the United States. New York: McGraw-Hill Book Company, 1955.

Wildavsky, Aaron. The Politics of the Budgetary Process. Boston: Little, Brown, and Company, 1964.

#### Articles and Periodicals

Anthony, Robert N. "New Frontiers in Defense Management," XI, The Federal Accountant, June, 1962, pp. 20-29.

Borth, Daniel. "Dynamic Accounting for Defense," XII, The Federal Accountant, September, 1963, pp. 84-92.

Business Week. Editor's Special Report: "Planners for the Pentagon," July 13, 1963.

Eisenhower, Dwight D. "The Chance for Peace," address reprinted in The Department of State Bulletin, April 27, 1953.

Hitch, Charles J. "Budget: Where Changes Hit Hardest," Armed Forces Management, November, 1961, pp. 11-24.

\_\_\_\_\_. "The Defense Budget as a Management Tool," Vol. 1, No. 10. The Journal of the Armed Forces Management Association, National Conference Issue, 1961-1962.

\_\_\_\_\_. "Management of the Defense Dollar," XI, The Federal Accountant, June, 1962, pp. 33-44.

Hitch, Charles J. and McKean, Roland No. "What Can Managerial Economics Contribute to Economic Theory?," LI, The American Economic Review, May, 1961, pp. 147-154.

Massey, Robert J. "Program Packages and the Program Budget in the Department of Defense," Public Administration Review, March, 1963, pp. 30-34.

Tucker, Ralph N. "Cost-Effectiveness--Fact or Fancy," United States Naval Institute Proceedings, September, 1964, pp. 74-81.

#### Reports

Department of Defense. Study Report: Programming System for the Office of the Secretary of Defense. Prepared by the Office of the Assistant Secretary of Defense (Comptroller) Washington, D. C., 31 May 1962.







Department of the Navy. Individual Studies Conducted as a Part of the Review of Management of the Department of the Navy, Volume I. Department of the Navy, Washington, D. C., Proof Copy dated December 15, 1962.

Enthoven, Alain and Rowen, Henry. Defense Planning and Organization. Report P-1640. Santa Monica: The RAND Corporation, 1959.

Hitch, Charles J. A Proposed Programming and Budgeting Process for FY 63. Memorandum, Department of Defense, Washington, D. C., April 17, 1961. Reprinted in Missiles and Rockets, Vol. 8, May 8, 1961, pp. 17-18.

Novick, David. Efficiency and Economy in Government Through New Budgeting and Accounting Procedures. Report R-254. Santa Monica: The RAND Corporation, February 1, 1954.

Rockefeller, Nelson A. Report of the Rockefeller Committee on Department of Defense Organization. Office of the Secretary of Defense, Washington, D. C., April, 1953.

#### Unpublished Material

Bigger, W. T. "The Structural Organization of Headquarters, U. S. Marine Corps, for Planning, Programming, and Budgeting." Unpublished thesis, Resident Course of the Industrial College of the Armed Forces, Washington, D. C., April 17, 1959.

Butcher, C. J. "The Program Budget Control Concept--Key to Management of the Department of Defense." Unpublished Master's thesis, The George Washington University, 1963.

Dodds, J. B. "Department of Defense Comptroller--A Study in Management." Unpublished Master's thesis, The George Washington University, 1963.

Dowell, Vern B., Jr. "Financial Management in the Department of Defense." Unpublished Master's thesis, The George Washington University, 1963.

Johnson, John R. "Oriented Military Plans-Operations-Budgets." Unpublished Master's thesis, The George Washington University, 1960.

Nelson, Frederick L. "Decision-Making Controls in the Department of Defense." Unpublished Master's thesis, The George Washington University, 1964.



- Peterson, Burton A. "Program Packaging--A New Decision Tool." Unpublished Master's thesis, The George Washington University, 1963.
- Smith, C. D., Jr. "The Department of Defense Centralized Decision Making." Unpublished Master's thesis, The George Washington University, 1963.
- Wilcox, E. A. et. al. "Financial Management in the Marine Corps: An Evaluation." Unpublished research seminar paper in Comptrollership (BA 295), The George Washington University, 1962.

#### Other Sources

- Bennett, Fred D. Rear Admiral, U. S. Navy, Assistant Comptroller and Director of Budgets and Reports, Department of the Navy. Presentation for the Navy Graduate Financial Management Program at The George Washington University, October 26, 1964.
- Hanson, Arthur B. National President, Marine Corps Reserve Officers' Association (MCROA). Letter to members of MCROA, dated 18 January 1965.
- Hirsch, Morris A. Rear Admiral, U. S. Navy, Deputy Comptroller, Department of the Navy. Presentation for the Navy Graduate Financial Management Program at The George Washington University, February 11, 1965..
- Leydon, John K. Rear Admiral, U. S. Navy, Chief of Naval Research. Presentation for the Navy Graduate Financial Management Program at The George Washington University, December 7, 1964.
- McCabe, Jack. Lieutenant Commander, U. S. Navy. "Planning, Programming, and Budgeting." Presentation for the Navy Graduate Financial Management Program at The George Washington University, September 29, 1964.
- Paine, Charles N. Captain, U. S. Navy. "Budget Formulation in a Naval Bureau." Presentation for the Navy Graduate Financial Management Program at The George Washington University, November 9, 1964.
- Shutt, Richard G. Captain, U. S. Navy, Director, Navy Program Information Center. Presentation for the Navy Graduate Financial Management Program at The George Washington University, November 30, 1964.



U. S. Marine Corps. Headquarters, Washington, D. C. Personal interviews with Marine Corps officials and civilian employees during the period 25 September 1964-4 March 1965. Information from the following interviews was of particular significance to this research:

Lieutenant Colonel R. L. Barrett  
Office of the Assistant Deputy Chief of Staff (Programs)  
Interview dates: 25 September 1964; 22 December 1964;  
and 4 March 1965.

Lieutenant Colonel M. D. Volkert  
Budget Branch, Fiscal Division  
Interview date: 18 February 1965.

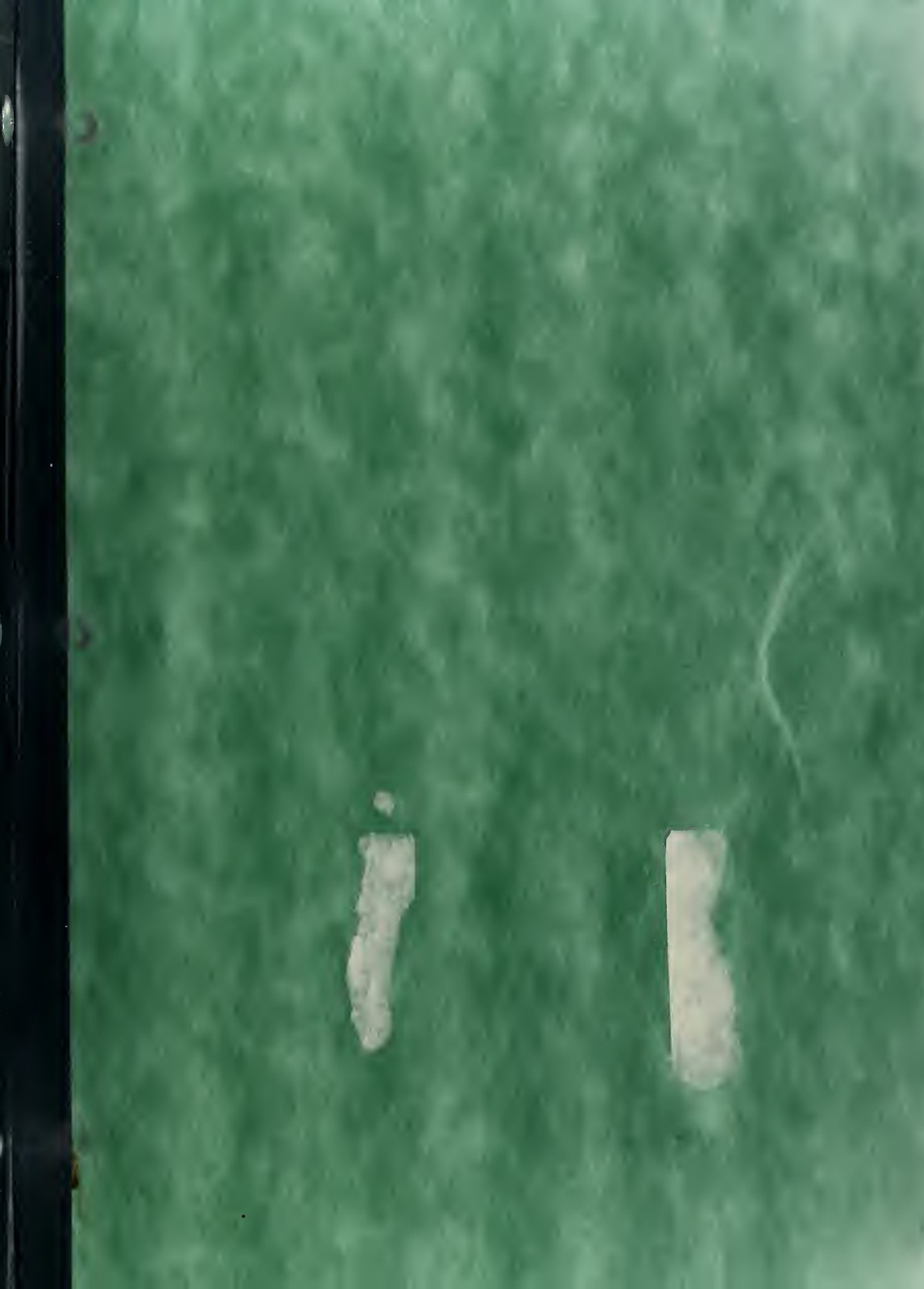
Mr. E. F. Tabor  
Analysis and Review Branch, Fiscal Division  
Interview date: 18 February 1965.

Major R. J. Lynch  
Budget Branch, Fiscal Division  
Interview date: 25 September 1964.

Major J. C. Studt  
Analysis and Review Branch, Fiscal Division  
Interview date: 22 December 1964.







thesM994

Impacts of the Department of Defense pro



3 2768 001 92598 5

DUDLEY KNOX LIBRARY

C. 2